

No. 55
JOURNAL OF THE SENATE

Senate Chamber, Lansing, Thursday, June 10, 1999.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor Dick Posthumus.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Bennett—present
Bullard—present
Byrum—present
Cherry—present
DeBeaussaert—present
DeGrow—present
Dingell—present
Dunaskiss—present
Emerson—present
Emmons—present
Gast—present
Goschka—present
Gougeon—present

Hammerstrom—present
Hart—present
Hoffman—present
Jaye—present
Johnson—present
Koivisto—present
Leland—present
McCotter—present
McManus—present
Miller—present
Murphy—present
North—present
Peters—present

Rogers—present
Schuette—present
Schwarz—present
Shugars—present
Sikkema—present
A. Smith—present
V. Smith—present
Steil—present
Stille—present
Van Regenmorter—present
Vaughn—present
Young—present

Pastor Stephen Pace of First Baptist Church of Ruby offered the following invocation:

Heavenly Father, how we thank You for the wonderful opportunity we have in this great state of Michigan. Heavenly Father, we come before You this morning thanking You for Your son, Jesus Christ, who gave his life for us.

Heavenly Father, we trust today as this session is about to come into full swing, Heavenly Father, that Your Holy Spirit would give guidance and leadership to these men and women, Heavenly Father, that the decisions they make today would be decisions You have led them to make. Heavenly Father, we pray also that Your guidance would be felt throughout not only today, but throughout the entire year here in this state of Michigan. Heavenly Father, be with each one of these Senators this morning in the decision-making process that they have.

Most of all, Heavenly Father, we pray that You would use them mightily for Your glory and Your honor. We lift up the name of Jesus this morning, and we ask that Your Holy Spirit use these men and women in such a way, Heavenly Father, that this state we reside in might bring honor and glory to You also. Heavenly Father, we ask these things in Your precious and holy name. Amen.

Motions and Communications

Senators Cherry and A. Smith entered the Senate Chamber.

The following communication was received:
Calhoun Intermediate School District

May 21, 1999

Enclosed are copies of the Program Year 1999 Job Training Plans for funding under the Job Training Partnership Act (JTPA) and the Systems Plan Summary, as developed by the Workforce Development Board and Chief Elected Officials of the Barry, Branch and Calhoun Michigan Works! service delivery area.

In accordance with the Americans with Disabilities Act (ADA), the information contained in this plan will be made available in alternative format (large type, audio tape, etc.) upon special request received by our office.

Comments regarding the plans are to be directed in writing to the Workforce Development Board and Chief Elected Officials, in care of the Calhoun Intermediate School District, 17111 "G" Drive North, Marshall, MI 49068. If you have any questions, please contact our Workforce Development Team at 616-789-2409.

Yours truly,
Elaine Furu-Baker
WFD Planning Administrator

The communication was referred to the Secretary for record.

The Secretary announced that the following House bill was received in the Senate and filed on Wednesday, June 9:
House Bill No. 4426

Senator Rogers moved that Senators Goschka and DeGrow be temporarily excused from today's session.
The motion prevailed.

Senator Emerson moved that Senators V. Smith and Murphy be temporarily excused from today's session.
The motion prevailed.

Senator Rogers moved that the following bill, now on the order of General Orders, be referred to the Committee on Economic Development, International Trade and Regulatory Affairs:

House Bill No. 4520, entitled

A bill to amend 1933 (Ex Sess) PA 18, entitled "An act to authorize any city, village, township, or county to purchase, acquire, construct, maintain, operate, improve, extend, and repair housing facilities; to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare; and for any such purposes to authorize any such city, village, township, or county to create a commission with power to effectuate said purposes, and to prescribe the powers and duties of such commission and of such city, village, township, or county; and for any such purposes to authorize any such commission, city, village, township, or county to issue notes and revenue bonds; to regulate the issuance, sale, retirement, and refunding of such notes and bonds; to regulate the rentals of such projects and the use of the revenues of the projects; to prescribe the manner of selecting tenants for such projects; to provide for condemnation of private property for such projects; to confer certain powers upon such commissions, cities, villages, townships, and counties in relation to such projects, including the power to receive aid and cooperation of the federal government; to provide for a referendum thereon; to provide for cooperative financing by 2 or more

commissions, cities, villages, townships, or counties or any combination thereof; to provide for the issuance, sale, and retirement of revenue bonds and special obligation notes for such purposes; to provide for financing agreements between cooperating borrowers; to provide for other matters relative to the bonds and notes and methods of cooperative financing; for other purposes; and to prescribe penalties and provide remedies,” by amending section 44b (MCL 125.694b). The motion prevailed.

By unanimous consent the Senate proceeded to the order of
Resolutions

The question was placed on the adoption of the following resolution consent calendar:

Senate Resolution No. 62

Senate Resolution No. 63

Senate Resolution No. 64

Senate Resolution No. 66

Senate Resolution No. 67

The resolution consent calendar was adopted.

Senator Schwarz offered the following resolution:

Senate Resolution No. 62.

A resolution to commemorate the 90th Anniversary of Schuler’s Restaurant in Marshall, Michigan.

Whereas, From its establishment in 1909 by Albert Schuler, Sr., to its move to the Royal Hotel and Restaurant in Marshall in 1924, through renovations and expansions, Schuler’s tradition of excellence is firmly ingrained as part of its history; and

Whereas, Four generations of the Schuler Family—Albert, Win, Hans, and Larry—all contributed greatly to the professionalism of the restaurant and tourism industry, making the Schuler’s name synonymous with fine quality cuisine, warm hospitality, and attentive service; and

Whereas, Guests choose Schuler’s to celebrate special moments in their lives, creating memories that last a lifetime and inspiring generation after generation to visit Marshall, Michigan; and

Whereas, Schuler’s has made a significant economic impact on Calhoun County for 90 years, bringing both prosperity and recognition to the region and the state of Michigan; and

Whereas, Proud and long-serving employees work enthusiastically with management to maintain Schuler’s reputation as one of our nations, and indeed one of Michigan’s, foremost restaurant operations; and

Whereas, For 90 years the Schuler Family of Marshall has operated a fine dining establishment in the heart of this small and historic community for the enjoyment of all who visit, making Marshall, Michigan, once a mere railway stop between Detroit and Chicago, into a nationally-known destination for dining and tourism; and

Whereas, The accomplishment of this noted family and its dedicated service to the community of Marshall and the state of Michigan throughout this century have benefitted people far and wide; and

Whereas, It is anticipated that many more years of fine dining and hospitality will continue to be the hallmark of this historic Michigan establishment; now, therefore, be it

Resolved by the Senate, That we hereby commemorate the 90th Anniversary of Schuler’s Restaurant in Marshall, Michigan; and be it further

Resolved, That a copy of this resolution be presented to the Schuler Family this day, June 15, 1999, as commendation for 90 years of their hard work in making this establishment one of the most valued examples of dedication to Michigan’s hospitality and tourism industry.

Senator Rogers moved that rule 3.204 be suspended to name the entire membership of the Senate and the Lieutenant Governor as co-sponsors of the resolution.

The motion prevailed, a majority of the members serving voting therefor.

Senators Murphy and Goschka entered the Senate Chamber.

Senator DeBeaussaert offered the following resolution:

Senate Resolution No. 63.

A resolution honoring the 60th Anniversary of the United States Coast Guard Auxiliary.

Whereas, The United States Coast Guard Auxiliary was formed by an act of Congress on June 23, 1939, with the express purpose of supporting the United States Coast Guard and recreational boating safety; and

Whereas, These volunteers were known at the time as the Coast Guard Reserve, and without compensation, spent many hours during World War II patrolling and protecting the shores and coastlines of America; and

Whereas, Volunteer members in the United States Coast Guard Auxiliary currently numbers in excess of 34,000; and
Whereas, In 1998, the United States Coast Guard Auxiliary donated many hours of service to their country on land, water, and in the air. Their service had a financial value to our nation of approximately \$37.5 million. They assisted almost 13,000 boaters in distress on our nation's waters, saved 445 lives, and educated over 215,000 recreational boaters; and

Whereas, The United States Coast Guard Auxiliary serves side-by-side with the United States Coast Guard in stations and aboard Coast Guard vessels, active in all missions except law enforcement and national defense; and

Whereas, During 60 years of continuous service to their country, they have upheld the finest American tradition of voluntary service; now, therefore, be it

Resolved by the Senate, That this document is signed and dedicated to commend and congratulate the members of the United States Coast Guard Auxiliary as a token of our appreciation for their 60 years of service to our country; and be it further

Resolved, That a copy of this resolution be transmitted to the United States Coast Guard Auxiliary as evidence of our admiration and esteem.

Senators McManus, Goschka, Stille, Shugars, Young, Schwarz and Hoffman were named co-sponsors of the resolution.

Senators Schwarz, Byrum and Rogers offered the following resolution:

Senate Resolution No. 64.

A resolution to recognize the lifetime achievements of Joseph W. (Joe) Iding.

Whereas, Joe Iding has served the Michigan Automobile Dealers Association (MADA) as Secretary-Treasurer and Treasurer for nearly two decades; and

Whereas, Mr. Iding has shared his knowledge of accounting and the retail automobile business with the MADA, contributing significantly to the Association's years of success and fiscal stability; and

Whereas, Joe Iding's road to becoming an automobile dealer took many twists and turns. He left his position as an accountant with the Oldsmobile Corporation in 1946. He then went to work as the office manager for Ted Peters, who owned and operated Wolverine Chevrolet in Lansing, Michigan. In 1954, W.H. (Bud) Kouts purchased Wolverine Chevrolet and renamed it Bud Kouts Chevrolet. Mr. Iding continued as office manager until 1963, when he was promoted to General Manager. In 1977, Mr. Iding purchased the dealership; and

Whereas, He has established a reputation of the highest professionalism in the automobile industry—one of honesty and integrity—and is regarded highly throughout the community as well as within the dealer association. In testament to this are the Honda Central Zone Quality Dealer Award presented to Mr. Iding in 1981 and the nomination as MADA Time Quality Dealer Nominee in 1993; and

Whereas, In the life of Joe Iding community service is a hallmark. He has not only been a dedicated volunteer to the Association, but he has also served his community as a member of the St. Vincent De Paul Community since 1961; the Rotary Club of Lansing for 26 years; donated many vehicles to St. Gerard Parish and other area Catholic churches for fund-raising; participated in the MSU Coaches Courtesy Car Program for 21 years; and has been a supporter of the Cystic Fibrosis Foundation for 10 years. A strong supporter of Catholic education and service, he is the silent helping hand who befriends everyone; and

Whereas, Mr. Iding has not only provided for his own family for many years, but has managed a growing business which has generated employment, income, and career opportunities for hundreds of employees, as well as employing four of his five children and one son-in-law. Through his actions, he has proven his commitment to community and family: Elaine, his wife of 55 years; his five children, Carol, Jim, Mary Jo, Dick, and Pat; and their families, including 12 grandchildren; and

Whereas, The Greater Lansing community, as well as the state of Michigan, have benefitted greatly from Joe Iding's business and service leadership as a place to live, work, and play; now, therefore, be it

Resolved by the Senate, That we offer this expression of our highest tribute to Joseph W. (Joe) Iding for nearly two decades of dedicated service to the Michigan Automobile Dealers and to the Greater Lansing community. We salute him on this special occasion and wish him well in the many years to come; and be it further

Resolved, That a copy of this resolution be transmitted to Mr. Iding and his family as a token of our esteem.

Senators Young, Goschka and Hoffman were named co-sponsors of the resolution.

Senator Schwarz offered the following resolution:

Senate Resolution No. 66.

A resolution to recognize the lifetime achievements of Robert B. Miller.

Whereas, The members of the Michigan Senate offer this resolution to recognize Robert B. Miller for his lifetime achievements as a newspaper publisher and philanthropist; and

Whereas, Robert B. Miller was born in Ottawa, Kansas, on June 25, 1906, and moved to Battle Creek with his family at the age of four. He graduated from Battle Creek Central High School and continued his education at Williams College in Williamston, Massachusetts; and

Whereas, Mr. Miller's newspaper career began in various departments of the *Battle Creek Enquirer and News* during his high school and college years, and he became a cub reporter in 1929. His passion for the industry fueled his upward rise, marked with glorious accomplishments: Publisher of the *Enquirer and News* in 1952, Executive Chairman of Federated Publications, and the Director of Gannet, Inc.; and

Whereas, Robert Miller authored "Our Town: Yesterday & Tomorrow" in 1986, allowing all to share in his fondest memories of Battle Creek, as well as his visions for its future; and

Whereas, The community will benefit for years to come from many of Robert Miller's achievements, including the George Award. Instituted in 1957, the goal of the George Award was simple: inspire and acknowledge citizen participation to resolve community issues. The results have been, and will continue to be, a testament to the ability of the individual. Tangible evidence of the George motto "I did it" can be found at Kellogg Community College and through the merger of Battle Creek and Battle Creek Township; and

Whereas, The establishment of the Miller Foundation, in honor of the parents of Robert B. Miller, Albert and Louise Miller, stands to facilitate making the ideas of the citizenry realities that will benefit many. This is evidenced in some of the Foundation's major contributions, including the Miller Children's Zoo at Binder Park Zoo, Stouffer Battle Creek Hotel, and development of the Fort Custer Industrial Park master plan in 1973. Recent contributions include the Strive employment program, Sojourner Truth Statue, as well as construction of a Head Start facility at the Franklin Neighborhood Center and a scholarship program for nontraditional students at Kellogg Community College; and

Whereas, Robert B. Miller has received a multitude of accolades for his service to the community, including Battle Creek Historical Society's first Bernice Lowe Award, the Salvation Army's Others Award, Aging American Award of Excellence, Honorary Doctorate of Humane Letters from Olivet College, the first Super George Award, Gold Knight of Management Award, Silver Knight of Management Award, and a Red Rose Citation from the Battle Creek Rotary; and

Whereas, Mr. Miller's donations of time and financial support to local hospitals, churches, the Humane Society, and youth centers will sustain generations to come; and

Whereas, Through his actions, Mr. Miller has proven his commitment to the community and his family; now, therefore, be it

Resolved by the Senate, That a wholehearted accolade of tribute be hereby accorded to commemorate the lifetime achievements of Robert B. Miller; and be it further

Resolved, That a copy of this resolution be transmitted to the Miller Foundation as a token of our esteem.

Senators Goschka and Hoffman were named co-sponsors of the resolution.

Senators Hoffman, North, McManus, Emmons, V. Smith, Murphy, Hart, Vaughn, Byrum, Peters, Cherry, Koivisto, Miller, Emerson, Young, Dingell, DeBeaussaert, A. Smith, Leland, Shugars, Hammerstrom, Johnson, Steil, Schuette and Sikkema offered the following resolution:

Senate Resolution No. 67.

A memorial resolution commemorating Sunday, June 13, 1999, as Harry Melling Day in the state of Michigan.

Whereas, The state of Michigan wishes to recognize the significant contributions which Harry Melling made to Michigan's automotive, tourism, and sports entertainment industries; and

Whereas, Harry Melling, President of Melling Tool, demonstrated his outstanding abilities as an entrepreneur, expanding and developing the family local automotive business into a national firm with a broadened scope and diversified products; and

Whereas, Mr. Melling's vision and investments in Treetops/Sylvan Resort resulted in bringing worldwide attention to Michigan as a golf mecca, as well as generating significant economic activity for the residents and business owners in the Gaylord area, creating numerous jobs and opportunities; and

Whereas, Race car team owner, Harry Melling, was instrumental in NASCAR's tremendous growth over the last two decades and in the careers of American driving legends such as Benny Parsons and Bill Elliot; and

Whereas, Melling Racing is recognized as having built the world's fastest stock car, which was donated for display to the Henry Ford Museum in Dearborn, Michigan; and

Whereas, Harry Melling won more NASCAR Winston Cup Series races at Michigan Speedway than any other single owner, with seven of thirty-four Winston Cup victories achieved at Michigan Speedway—his favorite—as well as his hometown track; and

Whereas, Harry Melling is remembered by all as a modest, family man who was well-known for his remarkable generosity and numerous contributions to each of the communities in which he lived and worked; now, therefore, be it

Resolved by the Senate, That this document be signed and dedicated to honor the memory and recognize Harry Melling and celebrate his life of distinguished achievements on the day that would have been his 55th birthday; and be it further

Resolved, That Sunday, June 13, 1999, be proclaimed as Harry Melling Day in the great state of Michigan; and be it further

Resolved, That a copy of this resolution be transmitted to the family of Harry Melling as a reflection of our deep admiration and great esteem.

Senator Rogers moved that rule 3.204 be suspended to name the entire membership of the Senate and the Lieutenant Governor as co-sponsors of the resolution.

The motion prevailed, a majority of the members serving voting therefor.

Senator Rogers moved that rule 3.204 be suspended to permit immediate consideration of the following resolutions:

House Concurrent Resolution No. 25

House Concurrent Resolution No. 40

House Concurrent Resolution No. 41

The motion prevailed, a majority of the members serving voting therefor.

Senators Hart, Murphy, A. Smith, V. Smith, Miller, Cherry, McManus, Peters, Emerson, Dingell, Leland, DeBeaussiaert, Koivisto and Young offered the following resolution:

Senate Resolution No. 65.

A resolution seeking a righteous and peaceful declaration of the situation in the Republic of Cyprus.

Whereas, This year marks the 25th Anniversary of the Turkish invasion and occupation of Cyprus; and

Whereas, The Republic of Cyprus has been divided and occupied by foreign forces in violation of the United Nations since 1974; and

Whereas, There are internationally acceptable means to resolve the situation in Cyprus, including the demilitarization of Cyprus and the establishment of a multi-national force to ensure the security of both communities in Cyprus; and

Whereas, A peaceful, righteous, and lasting solution to the Cyprus problem would greatly gain the security, political, economic, and social well-being of all Cypriots, as well as contribute to improved relations between Greece and Turkey; and

Whereas, The United Nations has continually stated the parameters for such a solution, most recently in United Nations Security Council Resolution 1217, which was adopted on December 22, 1998, with the support of the United States; and

Whereas, United Nations Security Council Resolution 1218 calls for the reduction of tensions on the island, through a staged process aimed at limiting and substantially reducing the level of all troops and armaments in Cyprus. Ultimately, this will lead to the demilitarization of the Republic of Cyprus; now, therefore, be it

Resolved by the Senate, That we wholeheartedly endorse the commitment to undertake significant efforts to promote substantial progress towards a peaceful solution to the situation in the Republic of Cyprus in 1999; and be it further

Resolved, That a copy of this resolution be transmitted to each member of this legislative body and the Republic of Cyprus.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations,

Senator Rogers moved that the rule be suspended.

The motion prevailed, a majority of members serving voting therefor.

Senators Goschka, Schwarz and Hoffman were named co-sponsors of the resolution.

By unanimous consent the Senate returned to the order of

Messages from the Governor

The following message from the Governor was received:

Date: June 9, 1999

Time: 2:27 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 530 (Public Act No. 41), being

An act to amend 1978 PA 368, entitled “An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,” by amending section 12562 (MCL 333.12562), as amended by 1996 PA 67.

(Filed with the Secretary of State on June 9, 1999, at 4:12 p.m.)

Respectfully,
John Engler
Governor

Recess

Senator Rogers moved that the Senate recess subject to the call of the President.
The motion prevailed, the time being 10:12 a.m.

11:59 a.m.

The Senate was called to order by the President, Lieutenant Governor Posthumus.

During the recess, Senators V. Smith and DeGrow entered the Senate Chamber.

By unanimous consent the Senate returned to the order of

Resolutions**House Concurrent Resolution No. 25.**

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Southwestern Michigan College relative to the Southwestern Michigan College South County Extension Center.

Whereas, Section 5 of 1964 PA 183, as amended, being MCL § 830.415, requires the approval of the Board of Trustees of Southwestern Michigan College (the "Educational Institution"), the State Administrative Board, and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before land owned by the Educational Institution may be conveyed to the State Building Authority (the "Authority"); and

Whereas, The site for the Southwestern Michigan College South County Extension Center (the "Facility") is currently owned by the Educational Institution; and

Whereas, Section 7 of 1964 PA 183, as amended, being MCL § 830.417, requires the approval of the State Administrative Board and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before the State of Michigan (the "State") may enter into a lease with the Authority upon a showing of a public purpose; and

Whereas, Providing additional space to be used by the Educational Institution pursuant to the lease for the Facility is a recognized public purpose; and

Whereas, A lease among the Authority, the State, and the Educational Institution has been prepared providing for the leasing of the Facility by the Authority to the State and the Educational Institution (the "Lease"); and

Whereas, The Executive Director of the Authority has furnished the Joint Capital Outlay Subcommittee of the Legislature with information and documents relative to the Lease; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Total Facility Cost for the Southwestern Michigan College South County Extension Center shall not exceed \$3,100,000 (the Authority share is \$1,369,900, the State General Fund/General Purpose share is \$100, and the Educational Institution share is \$1,730,000), plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, of which not more than \$1,369,900, plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, shall be financed from bonds issued by the Authority, exclusive of amounts necessary for reserves, interest, or other nonconstruction costs; and be it further

Resolved, That the Legislature hereby approves the necessary conveyances of property to the Authority as more particularly described in the Lease and attachments thereto; and be it further

Resolved, That the Legislature hereby approves the Authority acquiring the Facility and leasing it to the State and the Educational Institution and hereby determines that the leasing of the Facility from the Authority is for a public purpose as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the annual amounts of "True Rental" for the Facility shall be within or below the range of \$126,000 and \$210,000, as shall reflect variations that may occur in the components upon which the appraisal of true rental was based, which amounts shall be certified by the appraiser and thereafter approved by the State Administrative Board and the Authority as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the Lease is hereby approved by this concurrent resolution, and the Governor and the Secretary of State are authorized and directed to execute the Lease for and on behalf of the State; and be it further

Resolved, That, by hereby approving the Lease among the State, the Educational Institution, and the Authority, the Legislature agrees to appropriate annually sufficient amounts to pay the rent as obligated pursuant to the Lease; and be it further

Resolved, That a copy of this concurrent resolution be transmitted to the Governor, the Secretary of State, the Authority, the Educational Institution, and the State Budget Director.

The House of Representatives has adopted the concurrent resolution.

The Secretary of the Senate made the following statement:

Mr. President and members of the Senate, the lease and exhibits are attached to the resolution and are available for review by the membership now at the rostrum or after session in the offices of the Session Staff in the Romney Building.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 371

Yeas—36

Bennett	Emmons	Koivisto	Shugars
Bullard	Gast	McCotter	Sikkema
Byrum	Goschka	McManus	Smith, A.
Cherry	Gougeon	Miller	Smith, V.
DeBeaussaert	Hammerstrom	Murphy	Steil
DeGrow	Hart	North	Stille
Dingell	Hoffman	Peters	Van Regenmorter
Dunaskiss	Jaye	Rogers	Vaughn
Emerson	Johnson	Schwarz	Young

Nays—0

Excused—0

Not Voting—2

Leland Schuette

In The Chair: President

Senator Rogers moved that Senator Schuette be temporarily excused from the balance of today's session.
The motion prevailed.

Senator Schuette entered the Senate Chamber.

House Concurrent Resolution No. 40.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Michigan Technological University relative to the Michigan Technological University Center for Ecosystem Science.

Whereas, Section 5 of 1964 PA 183, as amended, being MCL § 830.415, requires the approval of the Board of Control of Michigan Technological University (the "Educational Institution"), the State Administrative Board, and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before land owned by the Educational Institution may be conveyed to the State Building Authority (the "Authority"); and

Whereas, The site for the Center for Ecosystem Science (the "Facility") is currently owned by the Educational Institution; and

Whereas, Section 7 of 1964 PA 183, as amended, being MCL § 830.417, requires the approval of the State Administrative Board and the Michigan Legislature by concurrent resolution concurred in by a majority of members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before the State of Michigan (the "State") may enter into a lease with the Authority upon a showing of public purpose; and

Whereas, Providing additional space to be used by the Educational Institution pursuant to the lease for the Facility is a recognized public purpose; and

Whereas, A lease among the Authority, the State, and the Educational Institution has been prepared providing for the leasing of the Facility by the Authority to the State and the Educational Institution (the "Lease"); and

Whereas, The Executive Director of the Authority has furnished the Joint Capital Outlay Subcommittee of the Legislature with information and documents relative to the Lease; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Total Facility Cost of the Michigan Technological University Center for Ecosystem Science shall not exceed \$10,000,000 (the Authority share is \$7,499,900, the State General Fund/General Purpose share is \$100, and the Educational Institution share is \$2,500,000), plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, of which not more than \$7,499,900, plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, shall be financed from bonds issued by the Authority, exclusive of amounts necessary for reserves, interest, or other nonconstruction costs; and be it further

Resolved, That the Legislature hereby approves the necessary conveyances of property to the Authority as more particularly described in the Lease and attachments thereto; and be it further

Resolved, That the Legislature hereby approves the Authority acquiring the Facility and leasing it to the State and the Educational Institution and hereby determines that the leasing of the Facility from the Authority is for a public purpose as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the annual amounts of "True Rental" for the Facility shall be within or below the range of \$742,000 and \$1,258,000, as shall reflect variations that may occur in the components upon which the appraisal of true rental is based, which amounts shall be certified by the appraiser and thereafter approved by the State Administrative Board and the Authority as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the Lease is hereby approved by this concurrent resolution, and the Governor and the Secretary of State are authorized and directed to execute the Lease for and on behalf of the State; and be it further

Resolved, That, by hereby approving the Lease among the State, the Educational Institution, and the Authority, the Legislature agrees to appropriate annually sufficient amounts to pay the rent as obligated pursuant to the Lease; and be it further

Resolved, That copies of this concurrent resolution be transmitted to the Governor, the Secretary of State, the Authority, the Board of Control of Michigan Technological University, and the State Budget Director.

The House of Representatives has adopted the concurrent resolution.

The Secretary of the Senate made the following statement:

Mr. President and members of the Senate, the lease and exhibits are attached to the resolution and are available for review by the membership now at the rostrum or after session in the offices of the Session Staff in the Romney Building.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 372

Yeas—38

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Jaye	Rogers	Van Regenmorter
Dunaskiss	Johnson	Schuette	Vaughn
Emerson	Koivisto	Schwarz	Young
Emmons	Leland		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

House Concurrent Resolution No. 41.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Alpena Community College relative to the Alpena Community College Concrete Technology Center.

Whereas, Section 5 of 1964 PA 183, as amended, being MCL § 830.415, requires the approval of the Board of Trustees of Alpena Community College (the “Educational Institution”), the State Administrative Board, and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before land owned by the Educational Institution may be conveyed to the State Building Authority (the “Authority”); and

Whereas, The site for the Concrete Technology Center (the “Facility”) is currently owned by the Educational Institution; and

Whereas, Section 7 of 1964 PA 183, as amended, being MCL § 830.417, requires the approval of the State Administrative Board and the Michigan Legislature by concurrent resolution concurred in by a majority of members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before the State of Michigan (the “State”) may enter into a lease with the Authority upon a showing of public purpose; and

Whereas, Providing additional space to be used by the Educational Institution pursuant to the lease for the Facility is a recognized public purpose; and

Whereas, A lease among the Authority, the State, and the Educational Institution has been prepared providing for the leasing of the Facility by the Authority to the State and the Educational Institution (the “Lease”); and

Whereas, The Executive Director of the Authority has furnished the Joint Capital Outlay Subcommittee of the Legislature with information and documents relative to the Lease; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Total Facility Cost of the Alpena Community College Concrete Technology Center shall not exceed \$6,720,000 (the Authority share is \$3,359,900, the State General Fund/General Purpose share is \$100, and the Educational Institution share is \$3,360,000), plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, of which not more than \$3,359,900, plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, shall be financed from bonds issued by the Authority, exclusive of amounts necessary for reserves, interest, or other nonconstruction costs; and be it further

Resolved, That the Legislature hereby approves the necessary conveyances of property to the Authority as more particularly described in the Lease and attachments thereto; and be it further

Resolved, That the Legislature hereby approves the Authority acquiring the Facility and leasing it to the State and the Educational Institution and hereby determines that the leasing of the Facility from the Authority is for a public purpose as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the annual amounts of “True Rental” for the Facility shall be within or below the range of \$327,000 and \$547,000, as shall reflect variations that may occur in the components upon which the appraisal of true rental is based, which amounts shall be certified by the appraiser and thereafter approved by the State Administrative Board and the Authority as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the Lease is hereby approved by this concurrent resolution, and the Governor and the Secretary of State are authorized and directed to execute the Lease for and on behalf of the State; and be it further

Resolved, That, by hereby approving the Lease among the State, the Educational Institution, and the Authority, the Legislature agrees to appropriate annually sufficient amounts to pay the rent as obligated pursuant to the Lease; and be it further

Resolved, That copies of this concurrent resolution be transmitted to the Governor, the Secretary of State, the Authority, the Board of Trustees of Alpena Community College, and the State Budget Director.

The House of Representatives has adopted the concurrent resolution.

The Secretary of the Senate made the following statement:

Mr. President and members of the Senate, the lease and exhibits are attached to the resolution and are available for review by the membership now at the rostrum or after session in the offices of the Session Staff in the Romney Building.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 373**Yeas—38**

Bennett
Bullard
Byrum
Cherry

Gast
Goschka
Gougeon
Hammerstrom

McCotter
McManus
Miller
Murphy

Shugars
Sikkema
Smith, A.
Smith, V.

DeBeaussiaert
DeGrow
Dingell
Dunaskiss
Emerson
Emmons

Hart
Hoffman
Jaye
Johnson
Koivisto
Leland

North
Peters
Rogers
Schuette
Schwarz

Steil
Stille
Van Regenmorter
Vaughn
Young

Nays—0

Excused—0

Not Voting—0

In The Chair: President

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Rogers moved that the rules be suspended and that the following bills, now on Committee Reports, be placed on the General Orders calendar for consideration today:

House Bill No. 4744

House Bill No. 4745

House Bill No. 4498

House Bill No. 4075

House Bill No. 4065

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate proceeded to the order of

Conference Reports

House Bill No. 4298, entitled

A bill to make appropriations for community colleges for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, officers, and employees.

(For text of conference report, see Senate Journal No. 54, p. 978.)

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 374

Yeas—37

Bennett
Bullard
Byrum
Cherry
DeBeaussiaert
DeGrow
Dingell
Dunaskiss
Emerson
Emmons

Gast
Goschka
Gougeon
Hammerstrom
Hart
Hoffman
Johnson
Koivisto
Leland

McCotter
McManus
Miller
Murphy
North
Peters
Rogers
Schuette
Schwarz

Shugars
Sikkema
Smith, A.
Smith, V.
Steil
Stille
Van Regenmorter
Vaughn
Young

Nays—1

Jaye

Excused—0

Not Voting—0

In The Chair: President

House Bill No. 4302, entitled

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2000; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

(For text of conference report, see Senate Journal No. 54, p. 981.)

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 375

Yeas—37

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuetz	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Jaye

Excused—0

Not Voting—0

In The Chair: President

Senator North submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 368, entitled

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2000; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

Recommends:

First: That the Senate and House agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2000; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2000, from the funds indicated in this part. The following is a summary of the appropriations in this part:

JUDICIARY

APPROPRIATION SUMMARY:

Full-time equated exempted positions	583.0	
GROSS APPROPRIATION		\$ 228,130,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,287,400
ADJUSTED GROSS APPROPRIATION		\$ 225,842,900
Federal revenues:		
Total federal revenues		3,077,800
Special revenue funds:		
Total local revenues		2,496,600
Total private revenues		1,702,400
Total other state restricted revenues		56,074,900
State general fund/general purpose		\$ 162,491,200

Sec. 102. SUPREME COURT

Full-time equated exempted positions	283.0	
Supreme court administration—118.0 FTE positions		\$ 13,973,900
Judicial institute—18.0 FTE positions		2,809,700
State court administrative office—80.0 FTE positions		8,675,600
Judicial information systems—21.0 FTE positions		4,182,900
Direct trial court automation support—30.0 FTE positions		2,496,600
Foster care review board—12.0 FTE positions		1,198,700
Community dispute resolution—4.0 FTE positions		2,652,600
GROSS APPROPRIATION		\$ 35,990,000

Appropriated from:

Interdepartmental grant revenues:		
IDG from department of career development		120,000
IDG from state police - criminal justice improvement		1,443,900
IDG from state police - Michigan justice training fund		300,000
Federal revenues:		
DAG, agriculture mediation grant		469,900
DOE, special education grant		130,000
DOJ, victims assistance programs		50,000
DOT, national highway safety traffic administration		215,300
HHS, access and visitation grant		387,000
HHS, court improvement project		629,800
HHS, title IV-D child support program		419,100
HHS, title IV-E foster care program		276,700
HHS, TANF		500,000

Special revenue funds:

Local - user fees		2,496,600
Private		419,000
Private - interest on lawyers trust accounts		712,600
Private - state justice institute		500,800
Community dispute resolution fees		1,642,300
Law exam fees		477,200
Miscellaneous revenue		227,900
State court fund		319,000
State general fund/general purpose		\$ 24,252,900

Sec. 103. COURT OF APPEALS

Full-time equated exempted positions	235.5	
Court of appeals operations—223.5 FTE positions		\$ 18,754,800
Delay reduction—12.0 FTE positions		950,000
GROSS APPROPRIATION		\$ 19,704,800

For Fiscal Year
Ending Sept. 30,
2000

Appropriated from:		
Special revenue funds:		
Court filing/motion fees	\$	1,571,000
Miscellaneous revenue		77,800
State general fund/general purpose	\$	18,056,000
Sec. 104. JUSTICES' AND JUDGES' COMPENSATION		
Full-time judges positions	610.0	
Supreme court justices' salaries—7.0 judges	\$	975,100
Court of appeals judges' salaries—28.0 judges		3,588,400
District court judges' state base salaries—259.0 judges		18,463,700
District court judicial salary standardization		11,842,500
Probate court judges' state base salaries—106.0 judges		7,029,100
Probate court judicial salary standardization		4,332,800
Circuit court judges' state base salaries—210.0 judges		15,637,000
Circuit court judicial salary standardization		9,228,000
Judges' retirement system defined contributions		2,204,900
OASI, social security		4,002,600
GROSS APPROPRIATION	\$	77,304,100
Appropriated from:		
Special revenue funds:		
Court fee fund		6,065,600
State general fund/general purpose	\$	71,238,500
Sec. 105. JUDICIAL AGENCIES		
Full-time equated exempted positions	10.0	
Judicial tenure commission—10.0 FTE positions	\$	953,700
GROSS APPROPRIATION	\$	953,700
Appropriated from:		
State general fund/general purpose	\$	953,700
Sec. 106. INDIGENT DEFENSE - CRIMINAL		
Full-time equated exempted positions	54.5	
Appellate public defender program—46.5 FTE positions	\$	4,618,400
Grants to counties for indigent appellate services		300,000
Appellate assigned counsel administration—8.0 FTE Positions		881,900
GROSS APPROPRIATION	\$	5,800,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from state police - Michigan justice training fund		423,500
Special revenue funds:		
Private - interest on lawyers trust accounts		70,000
Miscellaneous revenue		113,100
State general fund/general purpose	\$	5,193,700
Sec. 107. INDIGENT CIVIL LEGAL ASSISTANCE		
Indigent civil legal assistance	\$	7,337,000
GROSS APPROPRIATION	\$	7,337,000
Appropriated from:		
Special revenue funds:		
State court fund		7,337,000
State general fund/general purpose	\$	0
Sec. 108. TRIAL COURT OPERATIONS		
Court equity fund reimbursements	\$	69,840,400
Hold harmless fund reimbursements		8,000,000
GROSS APPROPRIATION	\$	77,840,400
Appropriated from:		
Special revenue funds:		
Court equity fund		36,044,000
State general fund/general purpose	\$	41,796,400

For Fiscal Year
Ending Sept. 30,
2000

Sec. 109. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT

Drunk driving caseflow program.....	\$	2,000,000
Drug caseflow program.....		200,000
Drug courts		1,000,000
GROSS APPROPRIATION	\$	3,200,000
Appropriated from:		
Special revenue funds:		
Drug fund		200,000
Drunk driving fund		2,000,000
State general fund/general purpose	\$	1,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1999-2000 is estimated at \$218,566,100.00 in this act and state spending from state sources paid to local units of government for fiscal year 1999-2000 is estimated at \$114,284,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

SUPREME COURT

State court administrative office - administration.....	\$	511,900
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TRIAL COURT OPERATIONS

Court equity fund reimbursements	\$	69,840,400
Hold harmless fund reimbursement.....		8,000,000

JUSTICES' AND JUDGES' COMPENSATION

District court judicial salary standardization.....	\$	11,842,500
Probate court judges' state base salaries		7,029,100
Probate court judicial salary standardization.....		4,332,800
Circuit court judicial salary standardization.....		9,228,000

INDIGENT DEFENSE - CRIMINAL

Grants to counties for indigent appellate services	\$	300,000
--	----	---------

GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT

Drunk driving caseflow program.....	\$	2,000,000
Drug caseflow program.....		200,000
Drug courts		1,000,000
TOTAL.....	\$	114,284,700

(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, the house and senate appropriations committees, and the house and senate fiscal agencies.

Sec. 202. (1) The expenditures and funding sources authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds appropriated in part 1 to an entity within the judicial branch shall not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall immediately make the expenditure or transfer. The authorized judicial entity agent shall be designated by the chief justice of the supreme court.

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DOE" means the United States department of education.
- (c) "DOJ" means the United States department of justice.
- (d) "DOT" means the United States department of transportation.
- (e) "FTE" means full-time equated.
- (f) "HHS" means the United States department of health and human services.
- (g) "IDG" means interdepartmental grant.
- (h) "MDSP" means the department of state police.
- (i) "OASI" means old age survivor's insurance.
- (j) "TANF" means temporary assistance for needy families.

Sec. 204. Funds appropriated in this act shall not be used for the purchase of foreign goods or services when competitively priced American goods and services are available.

Sec. 205. (1) The chief justice of the supreme court 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, for the judicial branch.

(2) The chief justice shall strongly encourage firms with which the courts of this state contract to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$500,000.00 for federal contingency funds.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$500,000.00 for state restricted contingency funds.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds.

(5) A transfer of contingency funds within the judicial branch shall not be made by the authorized agent of the judicial entity unless approved by both appropriations committees. If the state budget director does not approve contingency fund transfers adopted by both appropriations committees under this section, the state budget director shall notify the appropriations committees of his or her action within 15 days.

Sec. 208. Sixty days prior to beginning any effort to privatize, the judicial branch shall submit a complete project plan to the appropriate house and senate appropriations subcommittees and the house and senate 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 house and senate appropriations subcommittees and the house and senate fiscal agencies within 30 months.

Sec. 209. The judicial branch shall implement a pilot program that places reports required by this act on the Internet, with electronic notification to legislative offices of Internet access to the reports. During fiscal year 2000, the judicial branch shall continue to distribute all of these reports to the legislature in the current printed format.

Sec. 209a. The judicial branch shall receive and retain copies of all reports funded from appropriations in part 1, and shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 210. The judicial branch shall provide a report prepared by the judicial branch's internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The report is due first on March 1, 2000, and is due biennially thereafter beginning on May 1, 2002, and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the senate and house fiscal agencies, and the chief justice.

JUDICIAL BRANCH

Sec. 301. (1) The direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service. A report of amounts collected in excess of funds identified as user service charges in part 1 shall be submitted to the state budget director and to the house and senate appropriations subcommittees on judiciary 30 days before expenditure by the direct trial court automation support program.

(2) From funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall provide to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies before January 1 of each year, a detailed list of user service charges collected during the immediately preceding state fiscal year.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, \$325,000.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and \$186,900.00 is allocated for court of claims reimbursement under section 6413 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6413.

Sec. 304. The judicial branch shall cooperate with the auditor general regarding audits of the judicial branch conducted pursuant to section 53 of article IV of the state constitution of 1963.

Sec. 305. To avoid the overexpenditure of funds appropriated under this act, the supreme court shall report quarterly to the state budget director and to the judiciary subcommittees of the house and senate appropriations committees regarding the status of the accounts set forth in part 1.

Sec. 306. From funds appropriated under part 1, forms required to be developed by the state court administrative office pursuant to section 2950b of the revised judicature act of 1961, 1961 PA 236, MCL 600.2950b, shall be provided in the quantity requested by each county clerk.

Sec. 307. The supreme court shall continue to implement and enforce an appropriate antinepotism policy, which shall include provisions that prohibit a judge from hiring or employing a member of his or her immediate family as a court employee or in any judicial support related capacity.

Sec. 308. Funds appropriated in part 1 shall not be used to pay directly or by reimbursement the annual dues for membership in the state bar of Michigan of a judge, justice, or other employee of the judicial branch.

Sec. 309. (1) The chief financial officer of a funding unit for a court, in cooperation with the local court, shall provide to the state treasurer and state court administrative office by January 1, 2000 audited accounts of all money due and owing the court as of September 30, 1999. Where audited accounts are not available, the chief financial officer of a funding unit for a court may provide estimates as long as they are clearly marked as "estimated".

(2) The state treasurer shall report to the legislature a compilation of the estimated accounts receivable of all courts and cumulative totals by March 1, 2000. This report is a public record.

Sec. 310. The state court administrative office, from funds appropriated in part 1, shall assist the court of appeals and trial courts to meet American bar association model standards on case processing.

Sec. 311. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation.

Sec. 312. Funds appropriated in part 1 for indigent defense shall be used in accordance with terms and conditions of section 1485(11)(b) of the revised judicature act of 1961, 1961 PA 236, MCL 600.1485, including reference to federal prohibitions against providing legal assistance with respect to any proceeding or litigation which seeks to procure an abortion.

Sec. 315. The additional state general fund appropriation for community dispute resolution contained in part 1 shall be used to supplement funding for community dispute resolution centers. The supplemental funding shall be disbursed by formula to achieve a .6 FTE position base level of funding for centers funded through the community dispute resolution act, 1988 PA 260, MCL 691.1551 to 691.1564, with the remainder disbursed based upon performance measures as determined by the state court administrative office in conjunction with representatives of all the community dispute resolution centers.

Sec. 317. (1) The judicial branch shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees having jurisdiction over technology issues quarterly reports on the judicial branch's efforts to change the judicial branch's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the judicial branch's approved work plan for these efforts.

(2) Beginning with the report on April 1, 2000, the judicial branch shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the senate and house standing committees having jurisdiction over technology issues quarterly reports identifying for the immediately preceding quarter significant problems with information systems, occurrences of information system failure as a result of noncompliance with year 2000 standards, and previously unidentified areas of impact. These reports shall identify systems needing corrective action and the contractual obligations of accountable parties. These reports shall give the status of the progress made in repairing and testing applications, the status of vendor-supplied solutions to problems, information on the activation of manual or contract processes used to correct problems, and an itemization of the additional costs incurred.

(3) The judicial branch may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond and for costs incurred as a result of initiating corrective actions. At the time progress billings are presented for reimbursement, the judicial branch shall identify the funding sources that should support the work performed, and the department of management and budget shall forward the appropriate funding.

Sec. 318. The appropriations in part 1 for grants to counties for indigent appellate services are intended for a reimbursement pilot program. Distribution of these funds will be by formula established by the state court administrator, Michigan association of counties, and house and senate fiscal agencies. A recommendation shall be presented to the house and senate appropriations subcommittees on judiciary for approval prior to disbursement.

Sec. 319. (1) The state auditor general shall perform an audit of the state appellate defender office to ensure program effectiveness, efficiencies, and compliance with state law.

(2) As a part of the audit, the legislative auditor general shall include an analysis of the state appellate defender office salary schedule for attorneys and supervisors. The analysis shall compare salaries with those in the public and private sectors.

Sec. 320. (1) The funds appropriated in part 1 for drug courts shall be administered by the state court administrative office to implement new drug court programs or for existing drug court programs if federal funds are no longer available. A drug court shall be responsible for handling cases involving substance abusing offenders through comprehensive supervision, testing, treatment services, and immediate sanctions and incentives. A drug court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorney, defense attorney, and community corrections providers.

(2) The funds may be used in connection with federal funds, and local units of government are encouraged to match state funding.

(3) Local units of government are encouraged to refer to federal drug court guidelines to prepare proposals. However, federal agency approval is not required for funding under this section.

Sec. 321. The legislature urges the supreme court to examine court rules and consider changes which would:

(a) Allow candidates for judge to express opinions on political issues.

(b) Allow judges to preside over cases even though they have publicly expressed political opinions in issues generally related to the case.

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2000; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

Walter North
Glenn Steil
Conferees for the Senate

Mickey Mortimer
Cameron Brown
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,
Senator Rogers moved that the rule be suspended.

The motion prevailed.

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 376

Yeas—27

Bennett	Gast	Leland	Schwarz
Bullard	Goschka	McCotter	Shugars
Byrum	Gougeon	McManus	Sikkema
DeBeaussaert	Hammerstrom	Miller	Steil
DeGrow	Hoffman	North	Stille
Dunaskiss	Johnson	Rogers	Van Regenmorter
Emmons	Koivisto	Schuette	

Nays—11

Cherry	Hart	Peters	Vaughn
Dingell	Jaye	Smith, A.	Young
Emerson	Murphy	Smith, V.	

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Protests

Senators V. Smith and A. Smith, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 368 and moved that the statements they made during the discussion of the conference report be printed as their reasons for voting “no.”

The motion prevailed.

Senator V. Smith’s statement is as follows:

I also feel that the State Appellate Defender’s Office is not treated fairly in this budget. I think that the million-dollar cut is not warranted. I think they have done a good job for the state. They are an organ of the state. I realize that that’s not a popular subject—prisoners and prisoner rights having access to the courts. The whole scheme in the Legislature seems to be to continue delivered access, and I guess the easiest place to start is with those who are incarcerated within our corrections systems.

The essence of justice in America really depends on the fairness and equity of our court system. And when we allow issues that should be litigated not to go forth because this Legislature doesn’t have the will but a desire to provide counsel and access to the courts, it’s wrong. I think it’s wrong with this cut, and I’m going to vote “no.” Everybody else has to make their own call.

Senator A. Smith’s statement is as follows:

I did not sign the conference report, and it is not an indication of the extension that the chairman of the subcommittee put forward. We worked together, I think, very well, but I have some very serious concerns with the conference report as it came out.

I’m pleased to say that we were successful in getting a million dollars put in for the drug courts; I thank Walter North for his cooperation on that. He was very forthcoming with the corrections budget and saw that we actually got the transfer put through, and it was worked through leadership so that it would go to the judiciary budget where it appropriately belonged.

However, the million-dollar reduction to the State Appellate Defender’s Office is a critical harm to the appellate defense system for indigent criminals in the court system. This shift to a pilot program of \$260,000, I believe, is kind of a sop to our conscience here. It is apparently the hope of the Legislature that the local units of government might contract with SADO in order to get some money back into the State Appellate Defender’s Office because we as a Legislature submitted to the political petulance that took a million dollars out of that budget. So, my objection is that we have not acted as a Legislature in doing what we as a Legislature said we believed in, and that was putting the dollars into the State Appellate Defender’s Office. For that reason and that reason only, I voted “no” on the conference report.

Senator Schwarz submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 366, entitled

A bill to make appropriations for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2000; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2000; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Recommends:

First: That the Senate and House agree to the Substitute of the House as passed by the House and to the following amendments:

1. Amend page 2, line 1, by striking out all of part 1 and inserting:

“PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2000, from the funds indicated in this part. The following is a summary of the appropriations in this part:

TOTAL GENERAL GOVERNMENT

Full-time equated unclassified positions	42.0	
Full-time equated classified positions	5,964.0	
GROSS APPROPRIATION		\$ 2,446,821,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		\$ 130,631,500
ADJUSTED GROSS APPROPRIATION		\$ 2,316,189,500
Federal revenues:		
Total federal revenues		60,820,700
Special revenue funds:		
Total local revenues		4,647,200
Total private revenues		2,231,900
Total other state restricted revenues		1,768,704,100
State general fund/general purpose		\$ 479,785,600

Sec. 102. DEPARTMENT OF ATTORNEY GENERAL**(1) APPROPRIATION SUMMARY:**

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	569.0	
GROSS APPROPRIATION		\$ 55,132,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		8,686,800
ADJUSTED GROSS APPROPRIATION		\$ 46,445,500
Federal revenues:		
Total federal revenues		6,401,700
Special revenue funds:		
Total local revenues		0
Total private revenues		1,106,800
Total other state restricted revenues		6,858,200
State general fund/general purpose		\$ 32,078,800

(2) ATTORNEY GENERAL OPERATIONS

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	569.0	
Attorney general		\$ 124,900
Unclassified positions—5.0 FTE positions		444,500
Attorney general operations—550.5 FTE positions		52,712,000
Prosecuting attorneys coordinating council—18.5 FTE positions		1,550,900
PACC, training project		300,000
GROSS APPROPRIATION		\$ 55,132,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from FIA		1,691,500
IDG from MDCIS, financial and insurance services		94,100
IDG from MDCIS, health services		907,700
IDG from MDCIS, liquor purchase revolving fund		805,400
IDG from MDCIS, public utility assessments		1,531,000
IDG from MDSP, Michigan justice training fund		300,000
IDG from MDOT, comprehensive transportation fund		121,600
IDG from MDOT, state aeronautics fund		114,900
IDG from MDOT, state trunkline fund		2,353,600
IDG from Michigan gaming control board		767,000
Federal revenues:		
DAG, state administrative match grant/food stamps		992,400
DED-OPSE, student loan, federal lender allowance		268,300
DOL-ETA, unemployment insurance		1,274,600
DOL-OSHA, occupational safety and health		249,400
EPA, multiple grants		343,500
Federal funds		419,600
HHS-OS, state Medicaid fraud control units		2,343,800
HHS, medical assistance, medigant		510,100

Special revenue funds:		
Private - accident fund company revenue		1,106,800
Antitrust enforcement collections.....		285,800
Auto repair facilities fees		178,400
Collections revenue.....		550,400
Corporate fees.....		58,500
Franchise fees		223,100
Game and fish protection fund		630,800
Low level radioactive waste management fund		230,500
Michigan state housing development authority fees		447,300
Michigan underground storage tank financial assurance fund		147,900
Mobile home commission fees		173,100
Oil and gas privilege fee revenue		131,900
Prisoner reimbursement.....		277,600
Prosecuting attorneys training fees.....		236,800
Retirement funds.....		570,900
Second injury fund.....		865,800
Securities fees		58,600
Self-insurers security fund		148,400
Silicosis and dust disease fund.....		442,100
State building authority revenue.....		74,800
State hospital authority		291,200
State lottery fund		190,100
Utility consumers fund.....		446,300
Waterways fund		76,600
Worker's compensation administrative revolving fund		121,300
State general fund/general purpose	\$	32,078,800
Sec. 103. DEPARTMENT OF CIVIL RIGHTS		
Full-time equated unclassified positions	5.0	
Full-time equated classified positions	166.5	
GROSS APPROPRIATION	\$	14,623,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	14,623,300
Federal revenues:		
Total federal revenues		1,634,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	12,989,300
(2) CIVIL RIGHTS OPERATIONS		
Full-time equated unclassified positions	5.0	
Full-time equated classified positions	166.5	
Commission (per diem \$75.00)	\$	16,200
Unclassified positions—5.0 FTE positions.....		333,100
Civil rights operations—166.5 FTE positions		14,274,000
GROSS APPROPRIATION	\$	14,623,300
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts.....		1,500,000
HUD, grant		134,000
State general fund/general purpose	\$	12,989,300
Sec. 104. DEPARTMENT OF CIVIL SERVICE		
(1) APPROPRIATION SUMMARY:		
Full-time equated classified positions	230.5	
GROSS APPROPRIATION	\$	28,585,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,300,000
ADJUSTED GROSS APPROPRIATION.....	\$	26,285,500

Federal revenues:	
Total federal revenues	4,779,100
Special revenue funds:	
Total local revenues	1,700,000
Total private revenues	150,000
Total other state restricted revenues	8,859,200
State general fund/general purpose	\$ 10,797,200
(2) CIVIL SERVICE OPERATIONS	
Full-time equated classified positions230.5	
Civil service operations—230.5 FTE positions	\$ 28,585,500
GROSS APPROPRIATION	\$ 28,585,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges.....	1,000,000
IDG, 1% special funds	1,300,000
Federal revenues:	
Federal funds 1%	4,779,100
Special revenue funds:	
Local funds 1%	1,700,000
Private funds 1%	150,000
Data services revenue.....	8,100
Freedom of information fees	1,100
State sponsored group insurance	2,650,000
State restricted funds 1%	6,200,000
State general fund/general purpose	\$ 10,797,200
Sec. 105. EXECUTIVE OFFICE	
(1) APPROPRIATION SUMMARY:	
Full-time equated unclassified positions10.0	
Full-time equated classified positions75.0	
GROSS APPROPRIATION	\$ 5,425,100
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 5,425,100
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 5,425,100
(2) EXECUTIVE OFFICE OPERATIONS	
Full-time equated unclassified positions10.0	
Full-time equated classified positions75.0	
Governor	\$ 149,000
Lieutenant governor	100,300
Executive office—75.0 FTE positions	4,367,000
Unclassified positions—8.0 FTE positions.....	808,800
GROSS APPROPRIATION	\$ 5,425,100
Appropriated from:	
State general fund/general purpose	\$ 5,425,100
Sec. 106. LEGISLATIVE AUDITOR GENERAL	
(1) APPROPRIATION SUMMARY:	
GROSS APPROPRIATION	\$ 14,343,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	1,527,100
ADJUSTED GROSS APPROPRIATION.....	\$ 12,816,300
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0

Total private revenues	0
Total other state restricted revenues	293,800
State general fund/general purpose	\$ 12,522,500
(2) OFFICE OF THE AUDITOR GENERAL	
Legislative auditor general	\$ 118,000
Unclassified positions	128,200
Field operations	14,097,200
GROSS APPROPRIATION	\$ 14,343,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCIS, liquor purchase revolving fund	79,300
IDG from MDCS	67,100
IDG from MDOT, comprehensive transportation fund	38,900
IDG from MDOT, Michigan transportation fund	101,800
IDG from MDOT, state aeronautics fund	15,400
IDG from MDOT, state trunkline fund	381,100
IDG, single audit act	843,500
Special revenue funds:	
Construction lien fund	5,000
Contract audit administration fees	46,000
Correctional industries revolving fund	31,800
Game and fish protection fund	17,100
Marine safety fund	1,500
Michigan state housing development authority fees	40,000
Michigan veterans trust fund	14,100
Motor transport revolving fund	24,800
Office services revolving fund	33,200
Retirement funds	49,600
State employees' group insurance	26,200
Waterways fund	4,500
State general fund/general purpose	\$ 12,522,500
Sec. 107. LEGISLATURE	
(1) APPROPRIATION SUMMARY:	
GROSS APPROPRIATION	\$ 103,153,500
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 103,153,500
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	400,000
Total other state restricted revenues	1,041,800
State general fund/general purpose	\$ 101,711,700
(2) LEGISLATURE	
Senate	\$ 27,538,300
Senate automated data processing	2,221,500
Senate fiscal agency	3,252,800
House of representatives	38,247,700
House automated data processing	1,979,500
House fiscal agency	3,073,800
GROSS APPROPRIATION	\$ 76,313,600
Appropriated from:	
State general fund/general purpose	\$ 76,313,600
(3) LEGISLATIVE COUNCIL	
Legislative council	\$ 10,827,200
Legislative service bureau automated data processing	1,548,900
Legislative session integration system	900
Legislative corrections ombudsman	563,300
Worker's compensation	154,800

National association dues	396,100
GROSS APPROPRIATION	\$ 13,491,200
Appropriated from:	
Special revenue funds:	
Private - gifts and bequests revenues	400,000
State general fund/general purpose	\$ 13,091,200
(4) LEGISLATIVE RETIREMENT SYSTEM	
General nonretirement expenses	\$ 4,298,900
GROSS APPROPRIATION	\$ 4,298,900
Appropriated from:	
Special revenue funds:	
Court fees	1,041,800
State general fund/general purpose	\$ 3,257,100
(5) PROPERTY MANAGEMENT	
Capitol building	\$ 1,885,100
House of representatives office building	6,500,000
Farnum building	664,700
GROSS APPROPRIATION	\$ 9,049,800
Appropriated from:	
State general fund/general purpose	\$ 9,049,800
Sec. 108. LIBRARY OF MICHIGAN	
(1) APPROPRIATION SUMMARY:	
GROSS APPROPRIATION	\$ 38,977,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 38,977,400
Federal revenues:	
Total federal revenues	4,557,400
Special revenue funds:	
Total local revenues	0
Total private revenues	75,000
Total other state restricted revenues	86,900
State general fund/general purpose	\$ 34,258,100
(2) LIBRARY OF MICHIGAN	
Operations	\$ 8,117,600
Michigan library and historical center operations	2,787,600
Library automation	728,400
Statewide database access	650,000
Collected gifts and fees	161,900
State aid to libraries	14,350,700
Grant to the Detroit public library	5,871,600
Grand Rapids public library	406,400
Subregional state aid	554,300
Wayne county library for the blind & physically handicapped	49,200
Book distribution centers	313,500
Library services and technology act	4,557,400
Renaissance zone reimbursement	428,800
GROSS APPROPRIATION	\$ 38,977,400
Appropriated from:	
Federal revenues:	
Library services and technology act	4,557,400
Special revenue funds:	
Private - gifts and bequests revenues	75,000
User fees	86,900
State general fund/general purpose	\$ 34,258,100
Sec. 109. DEPARTMENT OF MANAGEMENT AND BUDGET	
(1) APPROPRIATION SUMMARY:	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	944.0
GROSS APPROPRIATION	\$ 137,949,600

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	52,476,200
ADJUSTED GROSS APPROPRIATION	\$ 85,473,400
Federal revenues:	
Total federal revenues	536,400
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	39,639,000
State general fund/general purpose	\$ 45,298,000
(2) MANAGEMENT AND BUDGET SERVICES	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	782.0
Unclassified positions—6.0 FTE positions	\$ 515,700
Departmentwide services—62.0 FTE positions	14,590,300
Statewide administrative services—253.0 FTE positions	24,414,500
Statewide support services—356.0 FTE positions	47,906,400
Michigan administrative information network—111.0 FTE positions	24,762,400
GROSS APPROPRIATION	\$ 112,189,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from building occupancy and parking charges	46,500,300
IDG from MDCH	235,000
IDG from MDOT, comprehensive transportation fund	38,600
IDG from MDOT, state aeronautics fund	18,200
IDG from MDOT, state trunkline fund	768,100
IDG from department of career development	100,000
IDG from user fees	3,561,000
Federal revenues:	
Federal - MESA, administration fund	536,400
Special revenue funds:	
Game and fish protection fund	190,800
Health management funds	1,195,400
Marine safety fund	14,100
MAIN user charges	5,142,200
Special revenue, internal service, and pension trust funds	6,501,400
State building authority revenue	435,200
State lottery fund	103,300
State sponsored group insurance, flexible spending accounts and COBRA	4,672,100
Waterways fund	46,200
State general fund/general purpose	\$ 42,131,000
(3) STATEWIDE APPROPRIATIONS	
Professional development fund - MPES	\$ 105,000
Professional development fund - MSC	150,000
Professional development fund - UAW	900,000
Professional development fund - local 31-M	50,000
Professional development fund - nonexclusively represented employees	50,000
GROSS APPROPRIATION	\$ 1,255,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from employer contributions	1,255,000
State general fund/general purpose	\$ 0
(4) SPECIAL PROGRAMS	
Full-time equated classified positions	162.0
Statewide unclassified salaries	\$ 548,800
Building occupancy charges - property management services for executive/legislative building occupancy	1,514,300
Retirement services—148.0 FTE positions	21,278,300
Office of children's ombudsman—14.0 FTE positions	1,163,900
GROSS APPROPRIATION	\$ 24,505,300

Appropriated from:	
Special revenue funds:	
Pension trust funds.....	21,278,300
State restricted revenues.....	60,000
State general fund/general purpose	\$ 3,167,000
Sec. 110. DEPARTMENT OF STATE	
(1) APPROPRIATION SUMMARY:	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	2,044.0
GROSS APPROPRIATION	\$ 181,515,300
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	56,830,800
ADJUSTED GROSS APPROPRIATION	\$ 124,684,500
Federal revenues:	
Total federal revenues	3,112,100
Special revenue funds:	
Total local revenues	0
Total private revenues	500,100
Total other state restricted revenues	60,983,300
State general fund/general purpose	\$ 60,089,000
(2) EXECUTIVE DIRECTION	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	26.2
Secretary of state	\$ 124,900
Unclassified positions—5.0 FTE positions	444,500
Operations—26.2 FTE positions	1,737,600
GROSS APPROPRIATION	\$ 2,307,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund	483,700
Special revenue funds:	
Auto repair facilities fees	48,600
Driver fees	78,800
Expedient service fees	40,500
Look-up fees	353,600
Parking ticket court fines	6,300
Personal identification card fees	9,600
Reinstatement fees - operator licenses	84,200
Vehicle theft prevention fees	27,800
State general fund/general purpose	\$ 1,173,900
(3) DEPARTMENT SERVICES	
Full-time equated classified positions	374.0
Operations—164.8 FTE positions	\$ 18,447,200
Auto regulation—103.7 FTE positions	7,085,400
Data processing—99.0 FTE positions	23,239,800
Assigned claims assessments—6.5 FTE positions	600,600
GROSS APPROPRIATION	\$ 49,373,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund	15,686,500
Federal revenues:	
Temporary assistance for needy families	1,345,900
Special revenue funds:	
Administrative order processing fees	10,400
Assigned claims assessments	600,600
Auto repair facilities fees	4,251,700
Child support clearance fees	45,700
Driver fees	1,076,500
Expedient service fees	664,400
Look-up fees	9,058,200

Marine safety fund.....	64,500
Off-road vehicle title fees	6,900
Parking ticket court fines	122,000
Personal identification card fees	97,000
Reinstatement fees - operator licenses	860,200
Scrap tire fund	59,200
Snowmobile registration fee revenue.....	15,500
Vehicle theft prevention fees.....	1,518,000
State general fund/general purpose	\$ 13,889,800
(4) REGULATORY SERVICES	
Full-time equated classified positions	95.8
Operations—95.8 FTE positions	\$ 7,295,800
GROSS APPROPRIATION	\$ 7,295,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	2,004,800
Special revenue funds:	
Auto repair facilities fees.....	57,400
Driver fees	520,100
Expedient service fees.....	25,900
Look-up fees	2,173,100
Parking ticket court fines	7,100
Personal identification card fees	35,400
Reinstatement fees - operator licenses	456,800
Vehicle theft prevention fees.....	95,400
State general fund/general purpose	\$ 1,919,800
(5) CUSTOMER DELIVERY SERVICES	
Full-time equated classified positions	1,444.8
Branch operations—1,020.0 FTE positions.....	\$ 63,892,100
Central records—408.6 FTE positions	27,537,300
Commemorative license plates—16.2 FTE positions.....	9,353,300
Specialty license plates	2,215,000
Olympic center plate	75,700
Organ donor program.....	104,100
GROSS APPROPRIATION	\$ 103,177,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	35,936,600
Federal revenues:	
Temporary assistance for needy families.....	366,300
Special revenue funds:	
Private funds	100
Auto repair facilities fees.....	75,700
Child support clearance fees	331,500
Commercial driver training school fees.....	57,200
Driver fees	10,887,100
Expedient service fees.....	1,549,900
Look-up fees	15,259,800
Marine safety fund.....	907,400
Mobile home commission fees	376,600
Motorcycle safety fund	119,700
Off-road vehicle title fees	97,100
Olympic center training fund	75,700
Parking ticket court fines	1,312,800
Personal identification card fees	1,217,700
Reinstatement fees - operator licenses	1,846,800
Snowmobile registration fee revenue.....	265,600
Vehicle theft prevention fees.....	168,900
State general fund/general purpose	\$ 32,325,000

(6) ELECTION REGULATION

Full-time equated classified positions	28.5	
Election administration and services—28.5 FTE positions.....		\$ 2,118,200
Fees to local units		69,800
Qualified voter file.....		1,154,300
GROSS APPROPRIATION		\$ 3,342,300
Appropriated from:		
State general fund/general purpose		\$ 3,342,300

(7) HISTORICAL PROGRAM

Full-time equated classified positions	74.7	
Historical administration and services—63.3 FTE positions		\$ 4,326,100
Federal programs—8.9 FTE positions		1,399,900
Mann house—0.5 FTE position.....		100,000
Lighthouse program—1.0 FTE position		150,000
Tax credit program—1.0 FTE position.....		70,000
Heritage publications		700,000
Private grants and gifts		400,000
GROSS APPROPRIATION		\$ 7,146,000

Appropriated from:

Federal revenues:

DOC-NOAA, coastal zone management administration	75,000
DOI-NHPRC	250,000
DOI-NPS, historic preservation grants-in-aid.....	924,900
Federal institute of museum and library services	150,000

Special revenue funds:

Private - grants and gifts	400,000
Private - Mann house trust fund	100,000
Heritage publication fund.....	700,000
State general fund/general purpose	\$ 4,546,100

(8) DEPARTMENTWIDE APPROPRIATIONS

Building occupancy charges - property management services	\$ 1,493,700
Private rent.....	6,570,400
Worker's compensation	809,600
GROSS APPROPRIATION	\$ 8,873,700

Appropriated from:

Interdepartmental grant revenues:

IDG from MDOT, Michigan transportation fund.....	2,719,200
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Special revenue funds:

Auto repair facilities fees	174,300
Driver fees	536,200
Expedient service fees.....	16,000
Look-up fees	1,957,800
Parking ticket court fines	578,100
State general fund/general purpose	\$ 2,892,100

Sec. 111. DEPARTMENT OF TREASURY**(1) APPROPRIATION SUMMARY:**

Full-time equated unclassified positions	9.0	
Full-time equated classified positions	1,935.0	
GROSS APPROPRIATION		\$ 1,867,115,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	8,810,600	
ADJUSTED GROSS APPROPRIATION.....		\$ 1,858,305,000
Federal revenues:		
Total federal revenues	39,800,000	
Special revenue funds:		
Total local revenues	2,947,200	
Total private revenues	0	
Total other state restricted revenues	1,650,941,900	
State general fund/general purpose		\$ 164,615,900

(2) EXECUTIVE DIRECTION

Full-time equated unclassified positions	9.0	
Full-time equated classified positions	4.0	
Unclassified positions—9.0 FTE positions		\$ 748,600
Multistate tax commission dues		111,700
Office of the director—4.0 FTE positions		426,800
GROSS APPROPRIATION		\$ 1,287,100
Appropriated from:		
Special revenue funds:		
State lottery fund		109,700
State services fee fund		117,600
State general fund/general purpose		\$ 1,059,800

(3) DEPARTMENTWIDE APPROPRIATIONS

Rent		\$ 570,400
Travel		1,815,900
Building occupancy charges - property management services		2,398,300
Worker's compensation insurance premium		486,800
GROSS APPROPRIATION		\$ 5,271,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, state aeronautics fund		2,700
IDG, state agency collection fees		17,900
Special revenue funds:		
Local - audit charges		80,600
Local - equalization study charge-backs		16,300
Delinquent property tax administration fund		127,000
Delinquent tax collection revenue		2,833,300
Municipal finance fees		11,200
Treasury fees		18,900
Waterways fund		2,300
State general fund/general purpose		\$ 2,161,200

(4) LOCAL GOVERNMENT PROGRAMS

Full-time equated classified positions	98.0	
Supervision of the general property tax law—49.0 FTE positions		\$ 4,147,700
Property tax assessor training—4.0 FTE positions		346,400
Local property tax services—16.5 FTE positions		1,739,800
Local finance—28.5 FTE positions		2,215,400
State audits of counties		60,000
Pari-mutuel audits		240,000
GROSS APPROPRIATION		\$ 8,749,300
Appropriated from:		
Special revenue funds:		
Local - assessor training fees		346,400
Local - audit charges		988,300
Local - equalization study charge-backs		200,500
Local - revenue from local government		615,100
Delinquent property tax administration fund		4,739,800
Municipal finance fees		243,300
State general fund/general purpose		\$ 1,615,900

(5) TAX PROGRAMS

Full-time equated classified positions	763.5	
Administration—229.0 FTE positions		\$ 17,347,000
Enforcement—526.5 FTE positions		34,158,100
Technology investment plan		5,000,000
Home heating assistance		1,600,000
Senior prescription drug credit processing		182,500
Michigan underground storage tank assurance fund—4.0 FTE positions		199,000
Tobacco tax collection—4.0 FTE positions		200,000
Joint federal/state motor fuel compliance project		100,000

Bottle bill implementation	250,000	
New hire reporting	1,545,000	
FARSTAR tax audit system	4,242,400	
GROSS APPROPRIATION	\$ 64,824,000	
Appropriated from:		
Interdepartmental grant revenues:		
IDG, data/collection services fees	250,900	
IDG from FIA	1,545,000	
IDG from MDCH	200,000	
IDG from MDOT, state aeronautics fund	38,000	
Federal revenues:		
DOT-FHA, intermodal surface transportation efficiency act	410,000	
HHS-SSA, low income energy assistance	1,600,000	
Special revenue funds:		
Bottle deposit fund	250,000	
Delinquent tax collection revenue	36,400,500	
Escheats revenue	298,200	
Michigan pharmaceutical	182,500	
Michigan underground storage tank financial assurance revenue	199,000	
Tobacco tax revenue	325,000	
Waterways fund	49,400	
State general fund/general purpose	\$ 23,075,500	
(6) MANAGEMENT PROGRAMS		
Full-time equated classified positions	520.5	
Department services—338.5 FTE positions	\$ 21,215,800	
Information technology services—171.0 FTE positions	11,999,400	
Receipt, warrant and cash processing	3,736,300	
Fiscal agent—3.0 FTE positions	136,700	
Child support order offsets—8.0 FTE positions	501,300	
GROSS APPROPRIATION	\$ 37,589,500	
Appropriated from:		
Interdepartmental grant revenues:		
IDG, fiscal agent service fees	136,700	
IDG from FIA, title IV D	471,700	
IDG from MDOT, state aeronautics fund	16,200	
IDG, levy/warrant cost assessment fees	1,481,200	
IDG, receipt, warrant and cash processing fees	3,736,300	
IDG, state agency collection fees	421,500	
IDG, user services	492,500	
Special revenue funds:		
Children's trust fund	6,400	
Delinquent property tax administration fund	17,300	
Delinquent tax collection revenue	13,637,100	
Garnishment fees	391,100	
Treasury fees	150,800	
Waterways fund	17,100	
State general fund/general purpose	\$ 16,613,600	
(7) FINANCIAL PROGRAMS		
Full-time equated classified positions	289.0	
Retirement investments—86.5 FTE positions	\$ 8,803,800	
Common cash investments and debt management—10.5 FTE positions	780,900	
Student financial assistance programs—174.5 FTE positions	39,441,400	
Deferred compensation/defined contribution—17.5 FTE positions	2,972,100	
Health insurance reserve fund payment	573,600	
Michigan merit award commission	2,000,000	
GROSS APPROPRIATION	\$ 54,571,800	
Appropriated from:		
Federal revenues:		
DED-OPSE, federal lenders allowance	11,487,900	
DED-OPSE, higher education act of 1965, insured loans	26,302,100	

Special revenue funds:

College work study	46,300
Deferred compensation	2,774,800
Michigan merit award trust fund	2,000,000
MI-CASHE fees	357,400
Retirement funds	8,803,800
School bond fees	330,200
Treasury fees	270,800
State general fund/general purpose	\$ 2,198,500

(8) DEBT SERVICE

Water pollution control bond and interest redemption	\$ 4,065,000
School bond loan	23,615,000
Quality of life bond	66,437,500
GROSS APPROPRIATION	\$ 94,117,500

Appropriated from:

Special revenue funds:

Local - school bond loan repayments by school districts	700,000
State general fund/general purpose	\$ 93,417,500

(9) GRANTS

Grants to counties in lieu of taxes	\$ 10,000
Convention facility development distribution	40,000,000
Michigan education trust fund challenge grants	50,000
Senior citizen cooperative housing tax exemption program	13,700,600
Constitutional state general revenue sharing grants	607,230,000
Statutory state general revenue sharing grants	855,270,000
Special census revenue sharing payments	6,500,000
Health and safety fund grants	23,175,000
City of Benton Harbor - enterprise zone	213,200
Tax increment finance authority payments	4,000,100
GROSS APPROPRIATION	\$ 1,550,148,900

Appropriated from:

Special revenue funds:

Convention facility development fund	40,000,000
Sales tax	1,462,500,000
Health and safety fund	23,175,000
State general fund/general purpose	\$ 24,473,900

(10) STATE LOTTERY

Full-time equated classified positions	202.0
Lottery operations—164.0 FTE positions	\$ 12,917,300
Promotion and advertising	18,372,000
Lottery data processing—38.0 FTE positions	4,862,800
GROSS APPROPRIATION	\$ 36,152,100

Appropriated from:

Special revenue funds:

State lottery fund	36,152,100
State general fund/general purpose	\$ 0

(11) CASINO GAMING

Full-time equated classified positions	58.0
Michigan gaming control board	\$ 500,000
Casino gaming control administration—58.0 FTE positions	13,904,000
GROSS APPROPRIATION	\$ 14,404,000

Appropriated from:

Special revenue funds:

Casino gambling agreements	383,500
State services fee fund	14,020,500
State general fund/general purpose	\$ 0".

2. Amend page 32, line 4, by striking out all of section 201 and inserting:

“Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending under part 1 for fiscal year 1999-2000 is \$2,248,489,700.00 and state appropriations to be paid to local units of government are as follows:

LEGISLATIVE BRANCH - LIBRARY OF MICHIGAN

State aid to libraries.....	\$ 14,350,700
Detroit public library	5,871,600
Grand Rapids public library	406,400
Subregional state aid.....	554,300
Wayne County library for the blind and physically handicapped	49,200
Renaissance zone reimbursement	428,800
Subtotal.....	\$ 21,661,000

DEPARTMENT OF STATE

Fees to local units	\$ 69,800
Subtotal.....	\$ 69,800

DEPARTMENT OF TREASURY

Senior citizen cooperative housing tax exemption.....	\$ 13,700,600
Grants to counties in lieu of taxes.....	10,000
Health and safety fund grants.....	23,175,000
City of Benton Harbor enterprise zone.....	213,200
Constitutional state general revenue sharing grants.....	607,230,000
Statutory state general revenue sharing grants	855,270,000
Special census revenue sharing payments	6,500,000
Convention facility development fund distribution.....	40,000,000
Tax increment finance authority payments	4,000,100
Subtotal.....	\$ 1,550,098,900
TOTAL GENERAL GOVERNMENT.....	\$ 1,571,829,700

(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 for any quarter under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies.

(3) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1999-2000 is estimated at \$23,731,359,500.00 in the 1999-2000 appropriations acts and state spending from state sources paid to local units of government for fiscal year 1999-2000 is estimated at \$14,502,800,700.00. The state-local proportion is estimated at 61.1% of total state spending from state resources.

(4) If payments to local units of government and state spending from state sources for fiscal year 1999-2000 are different than the amounts estimated in subsection (3), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 1999-2000 to the senate and house of representatives standing committees on appropriations within 30 days after the final bookclosing for fiscal year 1999-2000.”

3. Amend page 37, line 24, by striking out all of section 209 and inserting:

“Sec. 209. (1) The departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the senate and house standing committees having jurisdiction over technology issues, quarterly reports on the department’s or agency’s efforts to change the department’s or agency’s computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department’s or agency’s approved work plan for these efforts.

(2) Beginning with the report on April 1, 2000, the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the senate and house standing committees having jurisdiction over technology issues, quarterly reports identifying, for the immediately preceding quarter, significant problems with information systems, occurrences of information system failure as a result of noncompliance with year 2000 standards, and previously unidentified areas of significant impact. These reports shall identify systems needing corrective action and the contractual obligations of accountable parties. These reports shall give the status of the progress made in repairing and testing applications, the status of vendor-supplied solutions to problems, information on the activation of manual or contract processes used to correct problems, and an itemization of the additional costs incurred.

(3) The departments of attorney general, civil rights, civil service, management and budget, state, and treasury, and the executive office may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond, and for costs incurred as a result of initiating corrective actions. At the time progress billings are presented for reimbursement, the departments and agencies shall identify the funding sources that should support the work performed, and the department of management and budget shall forward the appropriate funding.”.

4. Amend page 39, line 21, after "agencies" by striking out the balance of the section and inserting "within 30 months."
 5. Amend page 39, line 22, by striking out all of section 212 and inserting:

"Sec. 212. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, that provides for a transfer of state general fund into the countercyclical budget and economic stabilization fund, there is appropriated into the countercyclical budget and economic stabilization fund the sum of \$37,100,000.00 determined as follows:

	<u>1998</u>	<u>1999</u>
Michigan personal income (millions)	\$253,841	\$264,908
less: transfer payments	39,655	40,805
Subtotal	214,186	224,103
Divided by: Detroit CPI for 12 months		
Ending June 30 (1982=1.00)	1,582	1,616
Equals: Real adjusted Michigan personal income	\$135,389	\$138,686
Percentage change		2.4%
Percentage change in excess of 2%		0.4%
Multiplied by: estimated GF/GP revenue in FY 1998-99 (millions)		9,266.9
Equals: countercyclical budget and economic stabilization fund requirements for the fiscal year ending September 30, 2000.		\$37.1".

6. Amend page 41, line 12, by striking out all of section 216.
 7. Amend page 53, line 4, by striking out all of section 631.
 8. Amend page 61, line 5, by striking out all of sections 716 and 717.
 9. Amend page 61, following line 27, by inserting:

"Sec. 719. From the funds appropriated in section 109 to the department of management and budget, there is appropriated in a separate line-item an amount not to exceed \$488,800.00 from general fund-general purpose and an amount not to exceed \$60,000.00 from state restricted funds for unclassified salaries. These amounts may be used to support unclassified positions in various executive departments and agencies for the fiscal year ending September 30, 2000. The department shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies, the amounts spent by each executive department and agency on unclassified salaries from these funds."

10. Amend page 70, line 25, by striking out all of sections 821 and 822.

11. Amend page 73, line 26, after "funds" by striking out "international".

12. Amend page 73, line 27, after "portfolios" by inserting "The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations concerning the performance of each portfolio by investment advisor."

13. Amend page 87, line 6, by striking out all of section 935.

14. Amend page 90, line 14, by striking out all of section 1101 and inserting:

"Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

BUDGET RECOMMENDATIONS BY OPERATING FUNDS

(Amounts in millions)

Fiscal Year 1999-2000

	Fund #	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
Operating Fund				
General	0110	0.0	20,076.4	0.0
Special Revenue Funds:				
Counter-cyclical budget and economic stabilization	0111	1,040.1	96.3	1,104.4
Game and fish protection	0112	9.2	47.1	8.2
Michigan employment security act administration	0113	0.0	149.7	0.0
State aeronautics	0114	3.7	90.1	0.0
Michigan veterans' benefit trust	0115	0.0	0.4	0.0
State trunkline	0116	5.0	1,581.6	0.0
Michigan state waterways	0117	16.1	22.1	6.4
Blue water bridge	0118	1.4	11.0	0.0
Michigan transportation	0119	0.0	1,844.6	0.0
Comprehensive transportation	0120	0.0	247.4	0.0
School aid	0122	433.8	10,549.8	495.5
Marine safety	0123	3.4	4.8	2.2

Game and fish protection trust	0124	0.0	9.2	0.0
State park improvement	0125	10.1	28.2	13.9
Forest development	0126	3.4	20.8	0.0
Michigan civilian conservation corps endowment	0128	1.9	1.2	1.8
Michigan natural resources trust	0129	0.0	37.7	0.0
Michigan state parks endowment	0130	0.0	15.5	5.4
Safety education and training	0131	2.9	5.5	2.2
Uninsured employers' security	0135	0.0	1.4	0.0
Bottle deposit	0136	20.0	16.1	5.0
School bond loan	0137	46.0	130.0	109.3
State construction code	0138	6.2	9.0	4.8
Children's trust	0139	0.3	4.7	0.1
Homeowner construction lien recovery	0141	1.6	0.3	0.5
Michigan nongame fish and wildlife	0143	0.7	0.9	0.9
Michigan underground storage tank finance assurance	0160	0.0	65.8	0.0
State building authority	0165	0.0	0.4	0.0
Total		\$1,605.8	\$35,068.0	\$1,760.6".

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2000; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2000; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

John J.H. Schwarz
Glenn Steil
Joe Young, Jr.
Conferees for the Senate

John Pappageorge
Janet Kukuk
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Rogers moved that the rule be suspended.

The motion prevailed.

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 377

Yeas—37

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussiaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuetz	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Senator McManus submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 370, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2000; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Recommends:

First: That the Senate and House agree to the Substitute of the House as passed by the House and to the following amendments:

1. Amend page 1, line 1, by striking out all of line 1 through line 20 on page 16 and inserting:

“PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2000, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF NATURAL RESOURCES

TOTAL APPROPRIATIONS SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	2,237.5	
GROSS APPROPRIATION		\$ 241,911,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		4,643,100
ADJUSTED GROSS APPROPRIATION		\$ 237,268,200
Federal revenues:		
Total federal revenues		22,268,200
Special revenue funds:		
Total local revenues		0
Total private revenues		1,698,600
Total other state restricted revenues		161,806,400
State general fund/general purpose		\$ 51,495,000

OPERATIONS APPROPRIATIONS SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	2,237.5	
GROSS APPROPRIATION		\$ 241,911,300
Interdepartmental grant revenues:		
IDG-engineering services to work orders		1,036,300
IDG from MDOT-state trunkline fund		37,500
IDG-MacMullan conference center revenue		1,349,000
IDG-land acquisition services to work orders		827,900
IDT-interdivisional charges		1,392,400
Total interdepartmental grants and intradepartmental transfers		4,643,100
ADJUSTED GROSS APPROPRIATION		\$ 237,268,200
Federal revenues:		
DAG-federal		2,418,000

DOC-federal.....	43,700
DOD-federal	60,900
DOE-federal.....	1,000
DOI-federal.....	14,019,100
DOI-MMS, federal oil and gas royalty revenue.....	150,000
DOI-MMS, federal timber revenue.....	2,800,000
DOT-federal	2,426,600
EPA-federal.....	328,000
IGLFC-federal.....	20,900
Total federal revenues	22,268,200
Special revenue funds:	
Private funds	1,198,600
Private-gift revenues	500,000
Total private revenues	1,698,600
Total local and private revenues	1,698,600
Aircraft fees	105,100
Air photo fees	745,600
Airport and park operation fees.....	42,300
Automated license system revenue.....	411,500
Clean Michigan initiative fund.....	258,200
Commercial fishing fee revenue	200
Delinquent property tax administration fund.....	751,600
Farmland and open space withdrawal fees	577,600
Forest camping fee revenue.....	802,700
Forest resource revenue.....	25,789,200
Game and fish protection fund	55,085,700
Game and fish protection fund—deer habitat reserve.....	1,720,500
Game and fish protection fund—turkey permit fees.....	959,500
Game and fish protection fund—waterfowl fees	115,000
Game and fish - wildlife resource protection fund	1,021,500
Harbor development fund.....	227,000
Land exchange facilitation fund	5,380,700
Land sale revenue	2,725,000
Mackinac Island state park fund	1,353,500
Marine safety fund.....	4,883,100
Michigan civilian conservation corps endowment fund	1,274,400
Michigan geographic information system revenue	170,500
Michigan state waterways fund	12,527,400
Michigan natural resources trust fund	2,834,100
Michigan state parks endowment fund	4,711,500
Motor fuel sales revenue	775,000
Natural resources magazine fund	102,900
Nongame wildlife fund	851,900
Off-road vehicle trail improvement fund.....	1,677,000
Park improvement fund	26,198,300
Publication revenue	103,300
Recreation improvement fund	1,394,500
Shop fees	52,800
Snowmobile registration fee revenue.....	1,546,000
Snowmobile trail improvement fund	4,623,900
Other restricted revenues.....	7,400
Total other state restricted revenues	161,806,400
State general fund/general purpose	\$ 51,495,000

Sec. 102. EXECUTIVE

Full-time equated unclassified positions	6.0
Full-time equated classified positions	21.0
Commission (including travel expense—per diem)	\$ 75,000
Unclassified salaries.....	406,000
Executive direction—10.0 FTE positions	1,675,700

Office of information and education—11.0 FTE positions	1,903,100
GROSS APPROPRIATION	\$ 4,059,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MacMullan conference center revenue	13,600
Special revenue funds:	
Delinquent property tax administration fund	3,500
Farmland and open space withdrawal fees	3,600
Forest resource revenue	460,600
Game and fish protection fund	1,306,700
Land exchange facilitation fund	5,700
Land sale fund	33,400
Marine safety fund	28,800
Michigan geographic information system revenue	1,000
Michigan state waterways fund	238,000
Michigan state parks endowment fund	8,300
Natural resources magazine fund	102,900
Off-road vehicle trail improvement fund	2,400
Park improvement fund	644,500
Snowmobile registration fee revenue	2,400
Snowmobile trail improvement fund	12,300
Other restricted revenues	2,500
State general fund/general purpose	\$ 1,189,600
Sec. 103. ADMINISTRATIVE SERVICES	
Full-time equated classified positions	235.7
Finance and operations services—143.7 FTE positions	\$ 11,333,000
Internal audit—12.0 FTE positions	748,000
Office of information systems and technology—55.0 FTE positions	6,618,100
Human resources—17.0 FTE positions	1,258,800
Equal opportunity and legal services—8.0 FTE positions	799,200
GROSS APPROPRIATION	\$ 20,757,100
Appropriated from:	
Interdepartmental grant revenues:	
IDT-interdivisional charges	1,392,400
IDG-Engineering to work orders	909,200
IDG-MacMullan conference center revenue	12,900
Federal revenues:	
DOI-federal	112,000
Aircraft fees	105,100
Automated license system revenue	411,500
Clean Michigan initiative fund	258,200
Delinquent property tax administration	11,500
Farmland and open space withdrawal fees	4,000
Forest resource revenue	722,700
Game and fish protection fund	7,083,900
Land exchange facilitation fund	31,200
Land sale revenue	66,300
Marine safety fund	226,200
Michigan civilian conservation corp endowment fund	5,900
Michigan natural resources trust fund	587,000
Michigan state parks endowment fund	49,000
Michigan state waterways fund	778,600
Off-road vehicle trail improvement fund	49,300
Park improvement fund	855,200
Publications revenue	103,300
Recreation improvement fund	5,900
Snowmobile registration fee revenue	61,000
Snowmobile trail improvement fund	74,300
Other restricted revenues	4,900
State general fund/general purpose	\$ 6,835,600

Sec. 104. DEPARTMENTAL OPERATION SUPPORT

Building occupancy charges	\$	1,824,600
Rent-privately owned property		619,300
Gifts and bequests		500,000
GROSS APPROPRIATION	\$	2,943,900

Appropriated from:

Special revenue funds:

Private-gift revenues		500,000
Forest resource revenue		174,400
Game and fish protection fund		602,800
Land sale revenue		43,100
Marine safety fund		39,500
Michigan state waterways fund		208,700
Michigan natural resources trust fund		10,600
Park improvement fund		84,500
Snowmobile trail improvement fund		17,400
State general fund/general purpose	\$	1,262,900

Sec. 105. WILDLIFE MANAGEMENT

Full-time equated classified positions	186.0	
Wildlife administration—14.5 FTE positions	\$	1,716,100
Wildlife management—162.5 FTE positions		15,672,400
Natural resources heritage—9.0 FTE positions		1,515,300
State game and wildlife area maintenance		750,000
Federal lands biological inventory		50,000
GROSS APPROPRIATION	\$	19,703,800

Appropriated from:

Federal revenues:

DOD-federal		50,000
DOI-federal		6,819,100
EPA-federal		52,000

Special revenue funds:

Private funds		104,800
Game and fish protection fund		8,864,300
Game and fish protection fund—deer habitat reserve		1,720,500
Game and fish protection fund—turkey permit fees		959,500
Game and fish protection fund—waterfowl fees		115,000
Nongame wildlife fund		551,900
State general fund/general purpose	\$	466,700

Sec. 106. FISHERIES MANAGEMENT

Full-time equated classified positions	229.0	
Fisheries administration—12.5 FTE positions	\$	1,285,000
Commercial fisheries—2.7 FTE positions		185,100
Recreational fisheries—14.0 FTE positions		1,692,600
Fish production—57.4 FTE positions		6,692,700
Fisheries resource management—142.4 FTE positions		10,915,700
Treaty waters management fund work project		138,200
Stream habitat improvement		1,179,200
GROSS APPROPRIATION	\$	22,088,500

Appropriated from:

Federal revenues:

DOE-federal		1,000
DOC-federal		43,700
DOI-federal		6,109,400
EPA-federal		135,000
IGLFC-federal		20,900

Special revenue funds:

Commercial fishing fee revenue		200
Game and fish protection fund		15,640,100
State general fund/general purpose	\$	138,200

Sec. 107. PARKS AND RECREATION

Full-time equated classified positions	821.3	
State parks—609.2 FTE positions		\$ 37,623,900
MacMullan conference center—7.0 FTE positions.....		1,322,500
Recreational boating—202.1 FTE positions		10,885,400
Michigan civilian conservation corps—3.0 FTE positions		3,462,500
Cost of marine fuel purchase for resale.....		775,000
GROSS APPROPRIATION		\$ 54,069,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MacMullan conference center revenue		1,322,500
Federal revenues:		
EPA-federal.....		98,800
Special revenue funds:		
Private funds		265,700
Harbor development fund.....		227,000
Michigan civilian conservation corps endowment fund		1,268,500
Michigan state parks endowment fund		4,286,300
Michigan state waterways fund		10,658,400
Motor fuel sales revenue		775,000
Park improvement fund		24,446,500
State general fund/general purpose		\$ 10,720,600

Sec. 108. MACKINAC ISLAND STATE PARK COMMISSION

Full-time equated classified positions	48.0	
Mackinac Island park operation—23.0 FTE positions		\$ 1,637,000
Historical facilities system—25.0 FTE positions.....		1,734,200
GROSS APPROPRIATION		\$ 3,371,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT-state trunkline fund		37,500
Special revenue funds:		
Airport and park operation fees.....		42,300
Mackinac Island state park fund		1,353,500
State general fund/general purpose		\$ 1,937,900

Sec. 109. FOREST RESOURCE MANAGEMENT

Full-time equated classified positions	339.0	
Timber harvest—102.0 FTE positions		\$ 8,207,800
Forest cultivation and reforestation—23.0 FTE positions.....		4,007,800
Forest resource planning and land use—20.0 FTE positions		5,248,200
Private forest development—10.5 FTE positions.....		893,900
Forest finance authority—9.0 FTE positions		1,673,200
Forest fire protection—141.5 FTE positions		9,819,700
Forest recreation—15.5 FTE positions		1,826,200
Forest management initiative		1,100,000
Trails—17.5 FTE positions		2,278,400
Abandoned mineshaft closure		350,000
Forest fire equipment		1,700,000
Cooperative resource programs		1,250,000
GROSS APPROPRIATION		\$ 38,355,200
Appropriated from:		
Federal revenues:		
DAG-federal.....		1,293,000
DOD-federal		10,900
EPA-federal.....		42,200
Special revenue funds:		
Private funds		778,100
Forest camping fee revenue.....		802,700
Forest resource revenue.....		23,229,000
Game and fish protection fund		1,498,700
Marine safety fund.....		129,100

Michigan state waterways fund	352,300
Off-road vehicle trail improvement fund	349,900
Recreation improvement fund	288,600
Shop fees	52,800
Snowmobile trail improvement fund	1,639,900
State general fund/general purpose	\$ 7,888,000

Sec. 110. LAND AND MINERAL SERVICES

Full-time equated classified positions	76.0
Land records and tax reversion—15.3 FTE positions	\$ 4,071,200
Minerals management—15.3 FTE positions	1,442,700
Land acquisition and exchange—16.2 FTE positions	6,965,900
Resource mapping and aerial photography—22.2 FTE positions	3,181,300
Farmland and open space preservation—7.0 FTE positions	570,000
Grants to communities for cleanup and maintenance of tax reverted properties	250,000
GROSS APPROPRIATION	\$ 16,481,100

Appropriated from:

Interdepartmental grant revenues:

IDG-land acquisition services to work orders	827,900
IDG-engineering services to work orders	127,100

Special revenue funds:

Air photo fees	745,600
Delinquent property tax administration fund	736,600
Farmland and open space withdrawal fees	570,000
Forest resource revenue	1,202,500
Game and fish protection fund	605,600
Land exchange facilitation fund	5,343,800
Land sale revenue	2,582,200
Michigan geographic information system revenue	169,500
Michigan natural resources trust fund	1,701,200
Michigan state waterways fund	101,100
Michigan state parks endowment fund	367,900
Park improvement fund	167,600
State general fund/general purpose	\$ 1,232,500

Sec. 111. LAW ENFORCEMENT

Full-time equated classified positions	281.5
Wildlife resource protection—10.0 FTE positions	\$ 1,021,500
General law enforcement—271.5 FTE positions	26,350,300
GROSS APPROPRIATION	\$ 27,371,800

Appropriated from:

Federal revenues:

DOI-federal	802,600
DOT-federal	1,926,600

Special revenue funds:

Game and fish - wildlife resource protection fund	1,021,500
Game and fish protection fund	17,411,600
Marine safety fund	1,229,500
Off-road vehicle trail improvement fund	400,900
Snowmobile registration fee revenue	340,600
State general fund/general purpose	\$ 4,238,500

Sec. 112. PAYMENTS IN LIEU OF TAXES

Swamp and tax reverted lands	7,071,500
Purchased lands taxes/open space payments	8,293,500
Commercial forest reserve	2,691,700
GROSS APPROPRIATION	\$ 18,056,700

Appropriated from:

Special revenue funds:

Game and fish protection fund	1,772,000
Michigan natural resources trust fund	535,300
Michigan state waterways fund	190,300
State general fund/general purpose	\$ 15,559,100

Sec. 113. GRANTS

Grant to counties—marine safety	\$	3,230,000
Federal - land and water conservation fund payments		1,000
Federal - forest stewardship grants		625,000
Federal - urban forestry grants		400,000
Federal - clean vessel act grants		175,000
Federal - rural community fire protection/dry hydrant demonstration projects		100,000
Grants to communities - federal oil, gas, and timber payments		2,950,000
Recreation improvement fund grants		1,100,000
Snowmobile local grants program		2,880,000
Snowmobile law enforcement grants		1,142,000
Off-road vehicle trail improvement grants		874,500
National recreational trails		550,000
Game and nongame wildlife fund grants		400,000
Inland fisheries resources grants		200,000
City of Centerline shooting range		25,400
GROSS APPROPRIATION	\$	14,652,900

Appropriated from:

Federal revenues:

DAG-federal	1,125,000
DOI-federal	176,000
DOI, oil and gas royalty revenue	150,000
DOI-MMS federal timber revenue	2,800,000
DOT-federal	500,000
Private funds	50,000
Game and fish protection fund	300,000
Marine safety fund	3,230,000
Nongame wildlife fund	300,000
Off-road vehicle trail improvement fund	874,500
Recreation improvement fund	1,100,000
Snowmobile registration fees	1,142,000
Snowmobile trail improvement fund	2,880,000
State general fund/general purpose	\$ 25,400

PART 2**PROVISIONS CONCERNING APPROPRIATIONS****GENERAL SECTIONS**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending in this appropriation act is \$213,301,400.00 and state appropriations to be paid to local units of government are estimated at \$21,985,100.00. The following itemized statement identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF NATURAL RESOURCES**GRANTS**

Swamp and tax reverted lands	\$	7,071,500
Purchased lands/open space payments		7,974,500
Commercial forest reserve		2,691,700
Grants to counties - marine safety		3,230,000
City of Centerline shooting range		25,400
Snowmobile law enforcement		742,000
Grants to communities for cleanup and maintenance of tax reverted properties		250,000
TOTAL	\$	21,985,100".

2. Amend page 20, line 20, by striking out all of sections 211 and 212 and inserting:

"Sec. 211. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 212. The department shall implement a pilot program that places reports required by this act on the Internet, with electronic notification to legislative offices of Internet access to the reports. During fiscal year 2000, the department shall continue to distribute all of these reports to the legislature in the current printed format."

3. Amend page 21, line 25, by striking out all of section 216.

4. Amend page 23, line 26, after "auditor" by inserting "on the activities of the internal auditor".

5. Amend page 24, line 7, after “and” by striking out the balance of the sentence and inserting “biennially thereafter beginning on May 1, 2002.”.

6. Amend page 24, following line 16, by inserting:

“Sec. 224. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees having jurisdiction over technology issues quarterly reports on the department’s efforts to change the department’s computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department’s approved work plan for these efforts.

(2) Beginning with the report on April 1, 2000, the department shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the senate and house standing committees having jurisdiction over technology issues quarterly reports identifying for the immediately preceding quarter significant problems with information systems, occurrences of information system failure as a result of noncompliance with year 2000 standards, and previously unidentified areas of significant impact. These reports shall identify systems needing corrective action and the contractual obligations of accountable parties. These reports shall give the status of the progress made in repairing and testing applications, the status of vendor supplied solutions to problems, information on the activation of manual or contract processes used to correct problems, and an itemization of the additional costs incurred.

(3) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond and for costs incurred as a result of initiating corrective actions. At the time progress billings are presented for reimbursement, the department shall identify the funding sources that should support the work performed and the department of management and budget shall forward the appropriated funding.”.

7. Amend page 25, line 10, after “by” by striking out “a disinterested” and inserting “an objective”.

8. Amend page 27, line 13, after “the” by striking out “third” and inserting “second”.

9. Amend page 27, line 23, after “Sec. 603.” by striking out “The” and inserting “Of the funds appropriated in section 105, the”.

10. Amend page 28, line 3, after “of” by striking out “agriculture shall reimburse the department of natural resources” and inserting “natural resources shall request reimbursement from the department of agriculture”.

11. Amend page 28, line 9, after “Sec. 605.” by striking out “(1)”.

12. Amend page 28, line 16, by striking out all of subsection (2).

13. Amend page 31, line 14, after “section 109” by striking out the balance of the line through “protection” on line 15.

14. Amend page 32, line 3, by striking out all of section 1003.

15. Amend page 32, line 10, after “The” by striking out “\$1,000,000.00 appropriation in part 1” and inserting “funds appropriated in section 110”.

16. Amend page 33, line 8, after “part.” by inserting “The department shall award grants to county law enforcement agencies in counties with state snowmobile trails. The department shall consider the number of enforcement hours and the number of miles of trails in each county in allocating these grants.”.

17. Amend page 33, following line 10, by inserting:

“Sec. 1103. Of the funds appropriated in section 111 for general law enforcement, \$10,000.00 shall be allocated to provide a reward for information leading to the arrest and conviction of a person or persons responsible for the murder of a licensed hunter while in the act of legal hunting.”.

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2000; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

George A. McManus, Jr.

Harry Gast

Kenneth DeBeaussiaert

Conferees for the Senate

William Byl

David Mead

Paul Tesanovich

Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Rogers moved that the rule be suspended.

The motion prevailed.

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 378**Yeas—37**

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuetten	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Jaye

Excused—0**Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Rogers moved that the rules be suspended and that the following bill, now on Committee Reports, be placed on the General Orders calendar for consideration today:

House Bill No. 4586

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate proceeded to the order of

General Orders

Senator Rogers moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Posthumus, designated Senator DeBeaussaert as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Schwarz, having assumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:

House Bill No. 4586, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 4k (MCL 205.94k), as amended by 1996 PA 477.

The bill was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Rogers moved that rule 2.106 be suspended to allow all committees to meet during Senate session. The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate returned to the order of
General Orders

Senator Rogers moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schwarz, designated Senator DeBeaussiaert as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Posthumus, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 4745, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending sections 3, 4, 5, 23, 23b, 31, 45a, 49, 71, 77, and 78 (MCL 208.3, 208.4, 208.5, 208.23, 208.23b, 208.31, 208.45a, 208.49, 208.71, 208.77, and 208.78), section 4 as amended by 1995 PA 285, section 5 as amended by 1987 PA 253, sections 23 and 23b as amended by 1998 PA 504, section 31 as amended by 1994 PA 247, section 45a as added by 1995 PA 282, and section 71 as amended by 1984 PA 281, and by adding sections 19, 35a, and 54; and to repeal acts and parts of acts.

Substitute (S-3).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 24, line 27, after "FROM" by striking out the balance of the line through "AND" on page 25, line 1.
2. Amend page 25, line 3, by striking out the balance of the line through "AND" on line 4.
3. Amend page 25, line 20, after "FROM" by striking out the balance of the line through "FROM" on line 22.
4. Amend page 25, line 23, after "SECTION." by striking out the balance of the line through "AND" on line 24.

The Senate agreed to the substitute, as amended, recommended by the Committee of the Whole and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 4744, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending sections 3, 4, and 4h (MCL 205.93, 205.94, and 205.94h), section 3 as amended by 1995 PA 67, section 4 as amended by 1998 PA 491, and section 4h as added by 1986 PA 13, and by adding sections 4o, 4p, 4q, 4r, 4s, 8, and 9a.

Substitute (S-3).

The following is the amendment to the substitute recommended by the Committee of the Whole:

1. Amend page 30, line 14, after "BEFORE" by striking out "THE EFFECTIVE DATE" and inserting "JULY 1, 1999".

The Senate agreed to the substitute, as amended, recommended by the Committee of the Whole and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 158, entitled

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," (MCL 418.101 to 418.941) by adding section 306.

Substitute (S-2).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 1, line 1, after "(1)" by striking out "WEEKLY".
2. Amend page 1, line 4, after "THE" by striking out "VOLUNTARY".
3. Amend page 1, line 8, by striking out all of subsection (2) and inserting:

"(2) THIS SECTION DOES NOT APPLY TO THE FOLLOWING:

(A) AN EMPLOYEE WHO IS INJURED WHEN UNEXPECTEDLY REQUIRED TO RETURN TO WORK WITHIN 12 HOURS AFTER THE END OF A PREVIOUS SHIFT.

(B) A POLICE OFFICER, FIREFIGHTER, OR OTHER EMERGENCY PERSONNEL WHO DUE TO THE UNIQUE AND SENSITIVE NATURE OF HIS OR HER EMPLOYMENT IS REQUIRED TO RESPOND TO AN EMERGENCY WHILE NOT ON DUTY."

The Senate agreed to the substitute, as amended, recommended by the Committee of the Whole and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:
House Bill No. 4075, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies, capital outlay, and certain other state purposes for the fiscal year ending September 30, 1999 and for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Substitute (S-1).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 5, following line 23, by inserting:

“Fresh water research center-Grand Valley State University..... 1,000,000.”

2. Amend page 6, line 2, by striking out “201,825,000” and inserting “202,825,000”.

3. Amend page 11, following line 17, by inserting:

“Sec.106b. DEPARTMENT OF JUDICIARY

APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	1,000,000
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
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ADJUSTED GROSS APPROPRIATION	\$	1,000,000
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Federal revenues:

Total federal revenues		0
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Special revenue funds:

Total local revenues		0
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Total private revenues		0
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Total other state restricted revenues		0
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State general fund/general purpose	\$	1,000,000
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GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT

Drug courts	\$	1,000,000
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GROSS APPROPRIATION	\$	1,000,000
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Appropriated from:

State general fund/general purpose	\$	1,000,000”
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and adjusting the subtotals, totals, and section 201 accordingly.

4. Amend page 27, following line 15, by inserting:

“Sec. 575. (1) The funds appropriated in part 1 for drug courts shall be administered by the state court administrative office to implement new drug court programs or for existing drug court programs if federal funds are no longer available. A drug court shall be responsible for handling cases involving substance abusing offenders through comprehensive supervision, testing, treatment services, and immediate sanctions and incentives. A drug court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorney, defense attorney, and community corrections providers.

(2) The funds may be used in connection with federal funds and local units of government are encouraged to match state funding.

(3) Local units of government are encouraged to refer to federal drug court guidelines to prepare proposals. However, federal agency approval is not required for funding under this section.”.

5. Amend page 29, following line 23, by inserting:

“Sec. 1204. There is appropriated in addition to the amounts contained in part 1A, to the department of management and budget an amount not to exceed \$488,800.00, from the general fund-general purpose and an amount not to exceed \$60,000.00 from state restricted funds for unclassified salaries. These amounts may be used to support unclassified positions in various executive departments and agencies for the fiscal year ending September 30, 2000. The department shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies, the amounts spent by each executive department and agency on unclassified salaries from these funds.”.

The Senate agreed to the substitute, as amended, recommended by the Committee of the Whole and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 4065, entitled

A bill to make appropriations for the department of career development and certain other state purposes for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

Substitute (S-1).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 4, following line 16, by inserting:

"Brownfield grants and loans program	\$	10,000,000
NPL-municipal landfill match grants program	\$	2,000,000".

2. Amend page 4, line 20, by striking "\$47,856,000" and inserting "\$59,856,000".

3. Amend page 8, line 19, after "fund," by inserting "the Brownfield grants and loans program, the NPL-municipal landfill match grants program,".

4. Amend page 10, following line 6, by inserting:

"(g) Brownfield grants and loans program (estimated cost \$10,000,000.00).

(h) NPL-municipal landfill match grants program (estimated cost \$2,000,000.00)." and adjusting the subtotals, totals, and section 201 accordingly.

The Senate agreed to the substitute, as amended, recommended by the Committee of the Whole and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

House Bill No. 4498, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 11, 11g, 13, 17b, 18, 20, 20b, 24, 26a, 31a, 31c, 36, 36a, 51a, 53a, 56, 61a, 62, 63, 67, 68, 81, 91b, 101, 104a, 105, 147, and 166b (MCL 388.1606, 388.1611, 388.1611g, 388.1613, 388.1617b, 388.1618, 388.1620, 388.1620b, 388.1624, 388.1626a, 388.1631a, 388.1631c, 388.1636, 388.1636a, 388.1651a, 388.1653a, 388.1656, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1681, 388.1691b, 388.1701, 388.1704a, 388.1705, 388.1747, and 388.1766b), sections 6, 11, 11g, 17b, 20, 20b, 26a, 31a, 51a, 63, 81, and 105 as amended by 1998 PA 553, sections 13 and 18 as amended by 1996 PA 300, sections 24, 31c, 36, 36a, 53a, 56, 61a, 62, 68, 101, 147, and 166b as amended by 1998 PA 339, section 67 as amended by 1997 PA 142, section 91b as added by 1995 PA 130, and section 104a as amended by 1997 PA 176, and by 2 adding sections 20j, 20k, 20l, 32, 43, 44, and 169c; and to repeal acts and parts of acts.

Substitute (S-1).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 19, line 1, by striking out "\$9,053,091,100.00" and inserting "\$9,049,591,100.00".

2. Amend page 19, line 7, by striking out "\$9,541,008,400.00" and inserting "\$9,590,537,700.00".

3. Amend page 19, line 12, after "OF" by striking out "\$10,053,830,900.00" and inserting "\$10,033,634,700.00".

4. Amend page 36, line 7, after "is" by striking out "\$5,652.00" and inserting "\$5,696.00".

5. Amend page 36, line 9, by striking out "\$5,864.00" and inserting "\$5,866.00".

6. Amend page 36, line 14, by striking out "\$8,438,783,700.00" and inserting "\$8,516,932,000.00".

7. Amend page 36, line 15, after "EXCEED" by striking out "\$8,903,216,100.00" and inserting "\$8,906,496,200.00".

8. Amend page 39, line 20, after the first "THAN" by striking out "\$7,152.00 AND LESS THAN \$12,190.00" and inserting "\$7,196.00 AND LESS THAN \$12,234.00".

9. Amend page 41, line 10, after "TO" by striking out "\$7,152.00" and inserting "\$7,196.00".

10. Amend page 54, line 10, by striking out "\$13,000,000.00" and inserting "\$16,000,000.00".

11. Amend page 54, line 17, after the first "THAN" by striking out the balance of the line and inserting "\$7,196.00 AND LESS THAN \$12,234.00".

12. Amend page 57, line 15, after "exceed" by striking out "\$269,100,000.00" and inserting "\$270,920,000.00".

13. Amend page 57, line 16, by striking out "\$279,191,300.00" and inserting "\$278,776,700.00".

14. Amend page 69, line 26, by striking out all of section 32 and inserting:

"SEC. 32. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED EACH FISCAL YEAR FOR 1999-2000 AND FOR 2000-2001 AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR COMPETITIVE GRANTS UNDER THIS SECTION TO ELIGIBLE DISTRICTS FOR PILOT READING IMPROVEMENT PROGRAMS FOR PUPILS IN GRADES K TO 3.

(2) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A DISTRICT MUST HAVE AT LEAST 1,500 PUPILS IN MEMBERSHIP, AND AT LEAST 8% OF THE PUPILS ENROLLED IN THE DISTRICT MUST HAVE BEEN DETERMINED TO HAVE A SPECIFIC LEARNING DISABILITY ACCORDING TO R 340.1713 OF THE MICHIGAN ADMINISTRATIVE CODE.

(3) TO QUALIFY FOR FUNDING UNDER THIS SECTION, THE PROPOSED READING IMPROVEMENT PROGRAM MUST MEET ALL OF THE FOLLOWING:

(A) THE PROGRAM SHALL INCLUDE ASSESSMENT OF READING SKILLS OF PUPILS IN GRADES K TO 3 TO IDENTIFY THOSE PUPILS WHO ARE READING BELOW GRADE LEVEL AND MUST PROVIDE SPECIAL READING ASSISTANCE FOR THESE PUPILS.

(B) THE PROGRAM SHALL BE A RESEARCH-BASED STRUCTURED READING PROGRAM.

(C) THE PROGRAM SHALL INCLUDE CONTINUOUS ASSESSMENT OF PUPILS AND INDIVIDUALIZED EDUCATION PLANS FOR PUPILS.

(D) THE PROGRAM SHALL ALIGN LEARNING RESOURCES TO STATE STANDARDS.

(4) A READING IMPROVEMENT PROGRAM RECEIVING FUNDING UNDER THIS SECTION MAY BE CONDUCTED OUTSIDE OF REGULAR SCHOOL HOURS OR OUTSIDE THE REGULAR SCHOOL CALENDAR.

(5) TO COMPETE FOR A GRANT UNDER THIS SECTION, A DISTRICT SHALL APPLY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION NOT LATER THAN DECEMBER 1, 1999 IN THE FORM AND MANNER PRESCRIBED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION. THE DEPARTMENT SHALL MAKE APPLICATIONS AVAILABLE FOR THIS PURPOSE NOT LATER THAN OCTOBER 15, 1999. A DISTRICT SHALL INCLUDE IN ITS APPLICATION A PROJECTED BUDGET FOR THE READING ASSISTANCE PROGRAMS. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL APPROVE OR DISAPPROVE APPLICATIONS AND NOTIFY THE APPLYING DISTRICT OF THAT DECISION NOT LATER THAN FEBRUARY 1, 2000. PRIORITY IN AWARDING GRANTS SHALL BE GIVEN TO PROGRAMS THAT FOCUS ON ACCELERATING STUDENT ACHIEVEMENT ON A COST-EFFECTIVE BASIS AND REDUCING THE PERCENTAGE OF PUPILS IDENTIFIED AS LEARNING DISABLED.

(6) NOT MORE THAN 25% OF THE TOTAL ALLOCATION UNDER THIS SECTION MAY BE PAID TO ANY 1 PARTICULAR DISTRICT. THE DEPARTMENT SHALL ENSURE THAT THE DISTRICTS RECEIVING GRANTS ARE GEOGRAPHICALLY DIVERSE.

(7) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE THE FUNDS FOR READING IMPROVEMENT PROGRAMS DESCRIBED IN SUBSECTION (3). A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL PROVIDE AT LEAST A 25% LOCAL MATCH FROM LOCAL RESOURCES. THIS MATCHING REQUIREMENT MAY BE SATISFIED THROUGH IN-KIND SERVICES.

(8) FROM THE FUNDING ALLOCATED UNDER THIS SECTION, AT LEAST \$250,000.00 SHALL BE USED FOR GRANTS TO DISTRICTS FOR READING RECOVERY PROGRAMS. A DISTRICT RECEIVING A GRANT UNDER THIS SUBSECTION SHALL USE THE FUNDS TO IMPLEMENT THE READING RECOVERY CURRICULUM FOR THE FIRST TIME IN 1 OR MORE OF GRADES K TO 3 IN 1 OR MORE SCHOOL BUILDINGS.

(9) FUNDING TO DISTRICTS UNDER THIS SECTION FOR 1999-2000 IS INTENDED TO BE FOR THE FIRST OF 4 YEARS OF FUNDING AND FUNDING TO DISTRICTS UNDER THIS SECTION FOR 2000-2001 IS INTENDED TO BE FOR THE SECOND OF 4 YEARS OF FUNDING.

(10) A DISTRICT RECEIVING FUNDING UNDER THIS SECTION SHALL REPORT TO THE DEPARTMENT, IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, ON THE RESULTS ACHIEVED BY THE READING IMPROVEMENT PROGRAM. THIS REPORT SHALL INCLUDE A DESCRIPTION OF HOW PUPILS' READING SKILLS ARE ASSESSED AND EVALUATED. NOT LATER THAN SEPTEMBER 1, 2000, AND ANNUALLY THEREAFTER, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE LEGISLATURE AND THE SENATE AND HOUSE FISCAL AGENCIES DETAILING THE RESULTS OF THE PILOT READING IMPROVEMENT PROGRAMS. IT IS THE INTENT OF THE LEGISLATURE THAT FURTHER FUNDING FOR SPECIAL READING PROGRAMS WILL REFLECT THE RESULTS ACHIEVED IN THESE PILOT PROGRAMS."

15. Amend page 76, line 18, by inserting "NONPROFIT EDUCATIONAL AGENCIES,".

16. Amend page 77, line 2, after "LOCAL" by inserting "OR OTHER NONSTATE".

17. Amend page 77, line 20, by striking out all of section 43.

18. Amend page 78, line 7, by striking out "\$738,559,400.00" and inserting "\$735,059,400.00".

19. Amend page 78, line 13, by striking out "\$791,000,900.00" and inserting "\$789,643,000.00".

20. Amend page 78, line 17, by striking out "\$846,260,600.00" and inserting "\$846,252,600.00".

21. Amend page 79, line 14, by striking out "\$676,593,400.00" and inserting "\$677,953,200.00".

22. Amend page 79, line 15, by striking out "\$734,649,100.00" and inserting "\$734,696,200.00".

23. Amend page 81, line 2, after "1998-99," by striking out "\$32,468,400.00" and inserting "\$34,150,000.00".

24. Amend page 81, line 3, by striking out "\$30,918,800.00" and inserting "\$30,926,000.00".

25. Amend page 85, line 27, after "AND" by striking out "\$11,240,700.00" and inserting "\$11,178,400.00".

26. Amend page 109, line 25, after "exceed" by striking out "\$82,644,800.00" and inserting "\$83,203,700.00".

27. Amend page 109, line 26, after "EXCEED" by striking out "\$85,744,000.00" and inserting "\$85,616,600.00".

28. Amend page 110, line 10, by striking out "103.5%" and inserting "104.2%".

29. Amend page 110, line 13, after "TO" by striking out "103.75%" and inserting "102.9%".

30. Amend page 113, line 24, after "EXCEED" by striking out "\$8,304,900.00" and inserting "\$7,904,900.00".

31. Amend page 119, line 20, after "instruction." by inserting "IN ADDITION, FOR 1998-99 ONLY, THE DEPARTMENT SHALL COUNT AS DAYS OF PUPIL INSTRUCTION NOT MORE THAN 2 ADDITIONAL DAYS, AND SHALL COUNT AS HOURS OF PUPIL INSTRUCTION NOT MORE THAN 16.5 HOURS, FOR WHICH PUPIL INSTRUCTION WAS NOT PROVIDED IN A DISTRICT AFTER JUNE 7, 1999 DUE TO WATER DAMAGE RESULTING FROM A WATER MAIN BREAK."

32. Amend page 123, line 6, by striking out all of subsection (9) and renumbering the remaining subsections.
33. Amend page 123, line 11, by striking out "SUBSECTIONS (8) AND (9)" and inserting "subsection (8)".
34. Amend page 159, line 3, after "at" by striking out "\$9,547,404,600.00" and inserting "\$9,543,904,600.00".
35. Amend page 159, line 5, after "at" by striking out "\$9,513,107,400.00" and inserting "\$9,509,607,400.00".
36. Amend page 159, line 7, after "at" by striking out "\$9,993,561,900.00" and inserting "\$10,045,801,200.00".
37. Amend page 159, line 9, after "at" by striking out "\$9,957,364,700.00" and inserting "\$10,009,604,000.00".
38. Amend page 159, line 11, after "at" by striking out "\$10,506,444,400.00" and inserting "\$10,473,468,900.00".
39. Amend page 159, line 13, after "at" by striking out "\$10,470,247,200.00" and inserting "\$10,437,271,700.00".

The Senate agreed to the substitute, as amended, recommended by the Committee of the Whole and the bill as substituted was placed on the order of Third Reading of Bills.

Point of Order

During the Committee of the Whole, Senator V. Smith raised the Point of Order that the committee substitute (S-1) to House Bill No. 4065 was not germane to the bill because it changed the purpose of the House-passed bill. Pursuant to Article 4, Section 24, of the State Constitution that deals with object, title, and amendments changing purpose, "No law shall embrace more than one object, which shall be expressed in its title. . ." The original bill made appropriations for career development, but the proposed committee substitute made expenditures for the Departments of Environmental Quality and Natural Resources.

The Chairperson, Senator DeBeaussiaert, ruled that the substitute was not germane to the bill.

Senator Rogers appealed the decision of the Chair.

The question being shall the decision of the Chair stand as the judgment of the Committee of the Whole,

The decision of the Chair did not stand as the judgment of the Committee of the Whole, a majority of the members present not voting therefor.

By unanimous consent the Senate returned to the order of

Conference Reports

Senator Rogers moved that joint rule 9 be suspended to permit immediate consideration of the conference reports relative to the following bills:

House Bill No. 4299

House Bill No. 4301

Senate Bill No. 361

The motion prevailed.

House Bill No. 4299, entitled

A bill 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, 2000; to provide for the expenditure of such appropriations; to create funds; to 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 House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

House Bill No. 4299, entitled

A bill 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, 2000; to provide for the expenditure of such appropriations; to create funds; to 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.

Recommends:

First: That the House and Senate agree to the substitute of the Senate as passed by the Senate, amended to read as follows:

A bill 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 years ending September 30, 1999, September 30, 2000, and September 30, 2001; 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; to provide for disposition of fees and other income received by the various state agencies; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS - FISCAL YEAR 1999-2000

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, 2000, 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	6,130.3	
Average population	1,428.0	
GROSS APPROPRIATION		\$ 8,152,705,200

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		\$ 69,609,900
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ADJUSTED GROSS APPROPRIATION		\$ 8,083,095,300
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Federal revenues:

Total federal revenues		4,188,318,300
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Special revenue funds:

Total local revenues		814,567,500
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Total private revenues		61,442,000
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Total local and private revenues		876,009,500
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Total other state restricted revenues		382,622,500
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State general fund/general purpose		\$ 2,636,145,000
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Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	489.7	
Director and other unclassified—6.0 FTE positions		\$ 556,400
Community health advisory council		28,900
Departmental administration and management—466.7 FTE positions		49,256,100
Certificate of need program administration—13.0 FTE positions		880,700
Workers' compensation program—1.0 FTE positions		11,987,200
Rent		3,487,200
Building occupancy charges		4,184,000
Developmental disabilities council and projects—9.0 FTE positions		2,280,200
GROSS APPROPRIATION		\$ 72,660,700

Appropriated from:

Interdepartmental grant revenues:

Interdepartmental grant from the department of treasury, Michigan state hospital finance authority		95,500
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Federal revenues:

Total federal revenues		19,849,700
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Special revenue funds:

Private funds		27,900
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Total other state restricted revenues		3,481,000
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State general fund/general purpose		\$ 49,206,600
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Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

ADMINISTRATION AND SPECIAL PROJECTS

Full-time equated classified positions	123.2	
Mental health/substance abuse program administration—114.2 FTE positions		\$ 9,876,900
Consumer involvement program		291,600
Gambling addiction		3,000,000
Protection and advocacy services support		818,300
Mental health initiatives for older persons		1,165,800
Purchase of psychiatric residency training		3,635,100
Community residential and support services—9.0 FTE positions		5,588,400

	For Fiscal Year Ending Sept. 30, 2000
Highway safety projects	\$ 2,337,200
Federal and other special projects	7,427,200
GROSS APPROPRIATION	\$ 34,140,500

Appropriated from:

Federal revenues:

Total federal revenues	11,433,100
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Special revenue funds:

Total private revenues	125,000
Total other state restricted revenues	3,182,300
State general fund/general purpose	\$ 19,400,100

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

Full-time equated classified positions	4.0
Community mental health Medicaid managed care	\$ 1,206,321,800
Community mental health non-Medicaid services	313,196,200
Multicultural services.....	3,560,000
Medicaid substance abuse services.....	21,400,000
Respite services	3,318,600
CMHSP, purchase of state services contracts	155,560,700
Civil service charges	2,606,400
Federal mental health block grant—2.0 FTE positions.....	10,849,900
Pilot projects in prevention for adults and children—2.0 FTE positions	1,519,300
State disability assistance program substance abuse services	6,600,000
Community substance abuse prevention, education and treatment programs	83,740,400
GROSS APPROPRIATION	\$ 1,808,673,300

Appropriated from:

Federal revenues:

Total federal revenues	750,054,300
Special revenue funds:	
Total other state restricted revenues	6,342,400
State general fund/general purpose	\$ 1,052,276,600

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

Total average population	1,428.0
Full-time equated classified positions	4,580.0
Caro regional mental health center-psychiatric hospital-adult—492.0 FTE positions.....	\$ 28,508,800
Average population	180.0
Kalamazoo psychiatric hospital-adult—383.0 FTE positions	27,591,300
Average population	130.0
Northville psychiatric hospital-adult—780.0 FTE positions.....	58,326,800
Average population	325.0
Walter P. Reuther psychiatric hospital-adult—436.0 FTE positions	32,737,200
Average population	210.0
Hawthorn center-psychiatric hospital-children and adolescents—329.0 FTE positions	21,787,700
Average population	118.0
Mount Pleasant center-developmental disabilities—481.0 FTE positions.....	30,206,300
Average population	195.0
Southgate center-developmental disabilities—206.0 FTE positions.....	16,242,100
Average population	60.0
Center for forensic psychiatry—522.0 FTE positions.....	37,197,100
Average population	210.0
Forensic mental health services provided to the department of corrections— 938.0 FTE positions	68,912,400
Revenue recapture.....	750,000
IDEA, federal special education.....	92,000
Special maintenance and equipment.....	1,054,000

	For Fiscal Year Ending Sept. 30, 2000
Purchase of medical services for residents of hospitals and centers	\$ 1,700,000
Closed site, transition, and related costs—13.0 FTE positions	455,500
Severance pay	896,000
Gifts and bequests for patient living and treatment environment.....	2,000,000
GROSS APPROPRIATION	\$ 328,457,200
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of corrections.....	68,912,400
Federal revenues:	
Total federal revenues	31,062,500
Special revenue funds:	
CMHSP, purchase of state services contracts	155,560,700
Other local revenues	15,819,900
Private funds	2,000,000
Total other state restricted revenues	15,987,800
State general fund/general purpose	\$ 39,113,900
Sec. 106. PUBLIC HEALTH ADMINISTRATION	
Full-time equated classified positions	88.3
Executive administration—15.5 FTE positions.....	\$ 1,320,200
Minority health grants and contracts	750,000
Vital records and health statistics—72.8 FTE positions	5,775,600
GROSS APPROPRIATION	\$ 7,845,800
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from family independence agency	135,600
Federal revenues:	
Total federal revenue.....	2,763,100
Special revenue funds:	
Total other state restricted revenues	1,867,700
State general fund/general purpose	\$ 3,079,400
Sec. 107. INFECTIOUS DISEASE CONTROL	
Full-time equated classified positions	44.3
AIDS prevention, testing and care programs—9.8 FTE positions	\$ 20,292,300
Hepatitis A immunization program in Calhoun County.....	100,000
Immunization local agreements.....	11,322,500
Immunization program management and field support—7.7 FTE positions	1,873,100
Sexually transmitted disease control local agreements	2,355,700
Sexually transmitted disease control management and field support—26.8 FTE positions.....	2,747,400
GROSS APPROPRIATION	\$ 38,691,000
Appropriated from:	
Federal revenues:	
Total federal revenues	27,076,900
Special revenue funds:	
Local funds	242,700
Private funds	710,000
Total other state restricted revenues	7,023,500
State general fund/general purpose	\$ 3,637,900
Sec. 108. LABORATORY SERVICES	
Full-time equated classified positions	118.2
Laboratory services—118.2 FTE positions.....	\$ 11,018,500
Lyme disease.....	75,000
GROSS APPROPRIATION	\$ 11,093,500
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from environmental quality	385,800
Federal revenues:	
Total federal revenues	1,172,900

	For Fiscal Year Ending Sept. 30, 2000
Special revenue funds:	
Total other state restricted revenues	\$ 3,167,800
State general fund/general purpose	\$ 6,367,000
Sec. 109. EPIDEMIOLOGY	
Full-time equated classified positions31.5	
AIDS surveillance and prevention program—7.0 FTE positions	\$ 1,772,800
Epidemiology administration—24.5 FTE positions	4,304,200
Tuberculosis control and recalcitrant AIDS program	498,300
GROSS APPROPRIATION	\$ 6,575,300
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of environmental quality	80,600
Federal revenues:	
Total federal revenues	4,311,100
Special revenue funds:	
Total other state restricted revenues	231,000
State general fund/general purpose	\$ 1,952,600
Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS	
Full-time equated classified positions3.0	
Implementation of 1993 PA 133, MCL 333.17015	\$ 100,000
Lead abatement program—3.0 FTE positions	1,818,200
Local health services	462,300
Local public health operations	39,874,000
Medical services cost reimbursement to local health departments	1,800,000
Special populations health care	\$ 620,600
GROSS APPROPRIATION	\$ 44,675,100
Appropriated from:	
Federal revenues:	
Total federal revenues	3,773,700
Special revenue funds:	
Total other state restricted revenues	243,500
State general fund/general purpose	\$ 40,657,900
Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION	
Full-time equated classified positions33.7	
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	12,235,600
Chronic disease prevention	1,417,400
Diabetes program—9.0 FTE positions	4,116,900
Early childhood collaborative secondary prevention	1,300,000
Employee wellness program grants (includes \$50.00 per diem and expenses for the risk reduction and AIDS policy commission)	4,250,000
Health education, promotion, and research programs—2.9 FTE positions	1,598,700
Injury control intervention project	441,000
Physical fitness, nutrition, and health	1,250,000
Public health traffic safety coordination	115,000
School health and education programs	2,182,800
Smoking prevention program—6.2 FTE positions	8,014,200
Violence prevention—2.0 FTE positions	3,894,600
GROSS APPROPRIATION	\$ 42,832,200
Appropriated from:	
Federal revenues:	
Total federal funds	11,967,400
Special revenue funds:	
Total other state restricted revenues	27,753,600
State general fund/general purpose	\$ 3,111,200

For Fiscal Year
Ending Sept. 30,
2000

Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES

Full-time equated classified positions	129.8	
Adolescent health care services.....	\$	2,892,300
Childhood lead program—5.0 FTE positions		1,376,800
Children's waiver home care program		21,713,700
Community living, children, and families administration—114.3 FTE positions.....		10,746,900
Dental programs.....		260,400
Dental program for persons with developmental disabilities		151,000
Family planning local agreements		8,100,000
Family support subsidy		14,014,400
Housing and support services—1.0 FTE positions		5,251,800
Local MCH services.....		8,354,200
Migrant health care		166,100
Newborn screening follow-up and treatment services		2,013,700
Omnibus reconciliation act implementation—9.0 FTE positions		12,677,100
Pediatric AIDS prevention and control.....		871,100
Pregnancy prevention program		7,196,100
Prenatal care outreach and service delivery support.....		4,299,300
Southwest community partnership.....		1,000,000
Special projects—0.5 FTE positions		6,489,300
Sudden infant death syndrome program		121,300
Women, infants, and children program local agreements and food costs.....		154,128,100
GROSS APPROPRIATION	\$	261,823,600

Appropriated from:

Federal revenues:

Total federal revenue.....		175,684,000
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Special revenue funds:

Private funds		41,954,100
Total other state restricted revenues		9,342,600
State general fund/general purpose	\$	34,842,900

Sec. 113. CHILDREN'S SPECIAL HEALTH CARE SERVICES

Full-time equated classified positions	66.6	
Children's special health care services administration—66.6 FTE positions	\$	5,228,800
Amputee program		184,600
Bequests for care and services		1,329,600
Case management services		3,923,500
Conveyor contract		559,100
Medical care and treatment		113,994,400
GROSS APPROPRIATION	\$	125,220,000

Appropriated from:

Federal revenues:

Total federal revenue.....		58,411,300
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Special revenue funds:

Private-bequests		900,000
Total other state restricted revenues		4,048,500
State general fund/general purpose	\$	61,860,200

Sec. 114. OFFICE OF DRUG POLICY CONTROL

Full-time equated classified positions	17.0	
Drug control policy—17.0 FTE positions	\$	1,686,800
Anti-drug abuse grants		33,400,000
GROSS APPROPRIATION	\$	35,086,800

Appropriated from:

Federal revenues:

Total federal revenue.....		34,912,400
State general fund/general purpose	\$	174,400

For Fiscal Year
Ending Sept. 30,
2000

Sec. 115. CRIME VICTIM SERVICES COMMISSION

Full-time equated classified positions	9.0	
Grants administration services—9.0 FTE positions		\$ 893,200
Justice assistance grants		9,000,000
Crime victim rights services grants		6,829,600
GROSS APPROPRIATION		\$ 16,722,800

Appropriated from:

Federal revenues:

Total federal revenues		9,784,900
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Special revenue funds:

Total other state restricted revenues		6,452,700
State general fund/general purpose	\$	485,200

Sec. 116. OFFICE OF SERVICES TO THE AGING

Full-time equated classified positions	39.5	
Commission (per diem \$50.00)		\$ 10,500
Office of services to aging administration—36.5 FTE positions		3,872,100
Long-term care advisor—3.0 FTE positions		3,000,000
Community services		26,823,400
Nutrition services		28,285,700
Senior volunteer services		4,220,800
Senior citizen centers staffing and equipment		2,140,700
Employment assistance		2,632,700
DAG commodity supplement		7,200,000
Michigan pharmaceutical program		6,000,000
Respite care program		8,600,000
Senior Olympics		100,000
GROSS APPROPRIATION		\$ 92,885,900

Appropriated from:

Federal revenues:

Total federal revenues		41,292,100
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Special revenue funds:

Total private revenue		125,000
Tobacco settlement revenue		8,000,000
Total other state restricted revenues		8,700,700
State general fund/general purpose	\$	34,768,100

Sec. 117. MEDICAL SERVICES ADMINISTRATION

Full-time equated classified positions	352.5	
Medical services administration—350.7 FTE positions		\$ 44,820,900
Data processing contractual services		100
Facility inspection contract - state police		132,800
MIChild administration		3,327,800
Michigan essential health care provider		1,229,100
Palliative and hospice care		700,000
Primary care services—1.8 FTE positions		2,543,900
GROSS APPROPRIATION		\$ 52,754,600

Appropriated from:

Federal revenues:

Total federal revenues		33,708,100
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Special revenue funds:

Private funds		100,000
Total other state restricted revenues		1,463,300
State general fund/general purpose	\$	17,483,200

Sec. 118. MEDICAL SERVICES

Hospital services and therapy	\$	718,362,500
Hospital disproportionate share payments		45,000,000
Physician services		149,940,800
Medicare premium payments		130,895,000

	For Fiscal Year Ending Sept. 30, 2000
Pharmaceutical services	\$ 275,004,300
Home health services	29,869,500
Transportation	7,825,900
Auxiliary medical services	68,160,800
Long-term care services	1,097,213,800
Long-term care innovations grants	22,276,700
Elder prescription insurance coverage	45,000,000
Health plan services	1,258,113,700
EPSDT and maternal and infant support services outreach	8,488,600
MIChild outreach	3,327,800
MIChild program	57,567,100
Personal care services	29,162,900
Maternal and child health	9,234,500
Adult home help	154,187,600
Social services to the physically disabled	1,344,900
Subtotal basic medical services program	4,110,976,400
Outpatient hospital adjustor	44,012,800
School based services	142,782,300
Special adjustor payments	874,795,400
Subtotal special medical services payments	1,061,590,500
GROSS APPROPRIATION	\$ 5,172,566,900
Appropriated from:	
Federal revenues:	
Total federal revenues	2,971,060,800
Special revenue funds:	
Local revenues	642,944,200
Private funds	15,500,000
Tobacco settlement revenue	45,000,000
Total other state restricted revenues	230,334,100
State general fund/general purpose	\$ 1,267,727,800

PART 1A

LINE-ITEM APPROPRIATIONS - FISCAL YEAR 1998-1999

Sec. 120. 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, 1999, from the funds indicated in this part. The following is a summary of the appropriations in this part:

SUMMARY FOR FISCAL YEAR 1998-1999

GROSS APPROPRIATION	\$ 124,212,800
Federal revenues:	
Total federal revenues	94,772,200
Special revenue funds:	
Total local revenues	20,000,000
Total private revenues	0
Total local and private revenues	20,000,000
Total other state restricted revenues	0
State general fund/general purpose	\$ 9,440,600

Sec. 121. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Community mental health programs	\$ 104,212,800
GROSS APPROPRIATION	\$ 104,212,800

Appropriated from:

Federal revenues:	
Total federal revenues	84,228,200
Special revenue funds:	
State general fund/general purpose	\$ 19,984,600

Sec. 123. MEDICAL SERVICES

Special adjustor payments	\$ 20,000,000
Subtotal special medical services payments	20,000,000
GROSS APPROPRIATION	\$ 20,000,000

For Fiscal Year
Ending Sept. 30,
1999

Appropriated from:	
Federal revenues:	
Total federal revenues	\$ 10,544,000
Special revenue funds:	
Local revenues	20,000,000
State general fund/general purpose	\$ (10,544,000)

PART 1B

LINE-ITEM APPROPRIATIONS - FISCAL YEAR 2000-2001

Sec. 130. 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, 2001, from the funds indicated in this part. The following is a summary of the appropriations in this part:

SUMMARY FOR FISCAL YEAR 2000-2001

GROSS APPROPRIATION	\$ 2,211,473,600
Federal revenues:	
Total federal revenues	1,243,732,800
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total local and private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 967,740,800

Sec. 131. MEDICAL SERVICES

Hospital services and therapy	\$ 747,097,000
Physician services	155,938,400
Health plan services	1,308,438,200
Subtotal basic medical services program	2,211,473,600
GROSS APPROPRIATION	\$ 2,211,473,600

Appropriated from:	
Federal revenues:	
Total federal revenues	1,243,732,800
Special revenue funds:	
State general fund/general purpose	\$ 967,740,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 1999-2000

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending in part 1 from state sources for fiscal year 1999-2000 is estimated at \$3,018,767,500.00. 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	\$ 1,618,000
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COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Pilot projects in prevention for adults and children	1,441,800
Community substance abuse prevention, education, and treatment programs	19,419,700
Community mental health Medicaid managed care	541,517,900
Community mental health non-Medicaid services	313,196,200

INFECTIOUS DISEASE CONTROL

AIDS prevention, testing, and care programs	1,466,800
Sexually transmitted disease local agreements	452,900
Hepatitis A immunization program in Calhoun County	100,000

LOCAL HEALTH ADMINISTRATION AND GRANTS

Special population health care	29,600
Local public health operations	39,874,000

CHRONIC DISEASE, INJURY, AND HEALTH PROMOTION

Cancer prevention and control program	397,000
Diabetes program	1,275,000

Employee wellness programs	1,545,100
School health and education programs	2,000,000
Smoking prevention program	2,880,000
COMMUNITY LIVING, CHILDREN, AND FAMILIES	
Adolescent health care services.....	1,358,000
Family planning local agreements	1,230,300
Family support subsidy	7,006,900
Homelessness formula grant program - state match	708,800
Local MCH services.....	246,100
OBRA implementation.....	2,459,100
Pregnancy prevention program.....	2,511,800
Prenatal care outreach and service delivery support.....	1,250,000
CHILDREN'S SPECIAL HEALTH CARE SERVICES	
Case management services	1,433,200
MEDICAL SERVICES	
Special adjustor payments.....	1,383,800
Hospital disproportionate share payments	18,000,000
Hospital services and therapy.....	17,559,300
Physician services	5,305,100
Pharmaceutical services	7,265,000
Home health services	1,195,200
Transportation	184,500
Health plan services.....	54,575,700
OFFICE OF SERVICES TO THE AGING	
Community services.....	13,681,400
Nutrition services.....	12,363,000
Senior volunteer services	3,845,300
Michigan pharmaceutical program	140,000
Respite care program	2,000,000
CRIME VICTIMS SERVICES COMMISSION	
Crime victims' rights services grants	3,400,000
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	\$ 1,086,316,500

(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.

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

Sec. 203. Funds for which the state is acting as the custodian or agent are not subject to annual appropriation.

Sec. 204. 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 service 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) "FTE" means full-time equated position.
- (i) "GME" means graduate medical education.
- (j) "HMO" means health maintenance organization.
- (k) "IDEA" means individual disability education act.
- (l) "MCH" means maternal and child health.
- (m) "OBRA" means the omnibus budget reconciliation act of 1987, Public Law 100-203, 101 Stat. 1330.
- (n) "Qualified 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.
- (o) "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.

(p) "Title XIX" means title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f, 1396g-1 to 1396r-6, and 1396r-8 to 1396v.

Sec. 206. (1) Beginning October 1, 1999, 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 or to positions that are funded with 80% or more federal or restricted funds.

(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.

Sec. 207. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward 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.

Sec. 208. Except as provided in section 111b(11) of the social welfare act, 1939 PA 280, MCL 400.111b, relative to medical services providers, the department shall not pay for a billing received from a contractor or service provider that is submitted more than 12 months after the bill for a good or service is provided.

Sec. 209. (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	\$ 20,977,000.
(b) Preventive health and health services block grant.....	\$ 6,347,100.
(c) Substance abuse block grant	\$ 62,742,300.
(d) Healthy Michigan fund.....	\$ 41,062,500.
(e) Michigan health initiative	\$ 9,900,800.

(2) On or before February 1, 2000, the department shall report to the house 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 2000-2001 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 2000-2001 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.

Sec. 210. The state departments, agencies, and commissions receiving tobacco tax funds from part 1 shall report by October 1, 1999, to the senate and house 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) Allocations from funds appropriated under these sections.
- (c) Description of allocations or bid processes including need or demand indicators used to determine allocations.
- (d) Eligibility criteria for program participation and maximum benefit levels where applicable.
- (e) Outcome measures to be used to evaluate programs.
- (f) Any other information deemed necessary by the house or senate appropriations committees or the state budget director.

Sec. 211. 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.

Sec. 212. The department of civil service shall bill departments and agencies at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 214. The source of funding for the part 1 appropriation for the Arab-American and Chaldean council, and ACCESS primary care services is the federal preventive health and health services block grant.

Sec. 215. (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 1999-2000, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

(3) The department shall report promptly to the house and senate appropriations subcommittees on community health on all reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 216. (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, for the department.

(2) The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

(3) 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.

Sec. 217. Funds appropriated in part 1 shall not be used for the purchase of foreign goods and/or services when competitively priced and of comparable quality American goods and/or services are available.

Sec. 218. (1) The department shall provide a report on the progress of Medicaid managed mental health services to the members of the senate and house appropriations subcommittees on community health, the senate committee on families, mental health, and human services, and the house committee on mental health by September 30, 2000. The report shall summarize actions taken by the department, community mental health services programs, and substance abuse coordinating agency networks to implement these specialized managed care programs, and shall include summary information on inpatient and partial hospitalization and costs, access to services, and summary information on consumer satisfaction measures.

(2) On or before the tenth of each month, the department shall report to the senate and house 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.

Sec. 220. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees having jurisdiction over technology issues quarterly reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) Beginning with the report on April 1, 2000, the department shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the senate and house standing committees having jurisdiction over technology issues quarterly reports identifying for the immediately preceding quarter significant problems with information systems, occurrences of information system failure as a result of noncompliance with year 2000 standards, and previously unidentified areas of significant impact. These reports shall identify systems needing corrective action and the contractual obligations of accountable parties. These reports shall give the status of the progress made in repairing and testing applications, the status of vendor supplied solutions to problems, information on the activation of manual or contract processes used to correct problems, and an itemization of the additional costs incurred.

(3) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond and for costs incurred as a result of initiating corrective actions. At the time progress billings are presented for reimbursement, the department shall identify the funding sources that should support the work performed and the department of management and budget shall forward the appropriated funding.

Sec. 222. (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 pursuant to 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 \$10,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to 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 \$10,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to 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 pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 223. Basic health services for the fiscal year beginning October 1, 1999, 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.

Sec. 224. (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 and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before November 1, 1999 and May 1, 2000 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 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, 2000, 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.

Sec. 225. From the amounts appropriated in part 1 for departmentwide administration, the department shall make available to the state budget director up to \$100,000.00 for the purpose of contracting for an external review of the Michigan public health institute. The purpose of the review is to assess the quality of the research and demonstration projects administered by the Michigan public health institute and funded with state appropriations. In selecting a contractor to perform the external review, the state budget director may consider public or private institutions of higher learning from outside this state and public or private agencies, foundations, or public policy research organizations with expertise in the area of health policy research.

Sec. 226. 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.

Sec. 229. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 232. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate house and senate appropriations subcommittees and the house and senate 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 house and senate appropriations subcommittees and the house and senate fiscal agencies within 30 months.

Sec. 235. The department shall require that providers of Medicaid and non-Medicaid services, such as nursing home providers, community mental health service programs, and other health related services, maintain waiting lists for service needs not met, preserving the confidentiality of clients as required by law. The waiting lists for all of these providers, other than CMHSPs, shall include data by type of service and provide an average length of time persons have been waiting for services. For community mental health services programs, the data shall be reported by type of service for each community mental health services program as well as information on the average length of time spent on each waiting list. No later than April 1, 2000, the department shall provide a report on the information required by this section to the members of the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Sec. 236. 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.

Sec. 237. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The first report shall be due March 1, 2000, and biennially thereafter beginning on May 1 and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the senate and house fiscal agencies, and the director.

Sec. 238. The department shall implement a pilot program that places reports required by this act on the Internet, with electronic notification to legislative offices of Internet access to the reports. During fiscal year 2000, the department shall continue to distribute all of these reports to the legislature in the current printed format.

DEPARTMENTWIDE ADMINISTRATION

Sec. 302. From funds appropriated for worker's compensation, the department may make payments in lieu of worker's compensation payments for wage/salary and related fringe benefits for employees who return to work under limited duty assignments.

Sec. 303. 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.

Sec. 307. The department is prohibited from requiring first-party payment from individuals or families with a taxable income of \$9,000.00 or less for mental health services.

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

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 board to provide services to persons with mental illness or developmental disability.

Sec. 351. In cases where a community mental health services program has responsibility for community residential service programs that were previously administered by the state, funds appropriated in part 1 for community mental health programs may be used for basic care where individuals are not eligible to receive social security benefits and are not otherwise capable of supporting themselves out of their resources. These funds also may be used for aftercare services or to prevent admissions to state hospitals and centers.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

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 board 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.

(2) In partnership with CMHSPs, the department shall establish a 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 shall not be altered or modified without a prior written agreement of the parties to the contract.

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 1999-2000 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 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.

Sec. 406. From the funds appropriated in part 1 for multicultural services, the department shall ensure that CMHSPs continue contracts with multicultural services providers. The increase in funding over fiscal year 1998-99 shall be allocated in equal amounts to ACCESS and the Arab-American and Chaldean council.

Sec. 407. (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 and senate appropriations subcommittees on community

health, the house and senate fiscal agencies, and the state budget director which shall include information required by this section.

(2) The report shall contain information for each community mental health services board 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) Per capita expenditures by client population group.

(c) 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.

(d) 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.

(e) Information about access to community mental health services programs which shall include but not be limited to:

(i) The number of people receiving requested services.

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

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

(g) 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.

(h) An estimate of the number of FTEs employed by the CMHSPs or contracted with directly by the CMHSPs as of September 30, 1999 and an estimate of the number of FTEs employed through contracts with provider organizations as of September 30, 1999.

(i) Lapses and carryforwards during fiscal year 1998-99 for CMHSPs.

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

(k) Information on the community mental health Medicaid managed care program, including, but not limited to:

(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.

Sec. 409. 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 that was funded beginning April 1, 1999 shall continue to be paid to direct care workers in fiscal year 1999-2000. These funds shall be used to cover such increased wages and employer associated wage costs.

Sec. 411. (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.

Sec. 412. (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. The mechanisms and fee schedule shall be developed by the department with input from substance abuse coordinating agencies.

Sec. 413. (1) By April 15, 2000, the department shall report the following data from fiscal year 1998-99 on substance abuse prevention, education, and treatment programs to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies:

(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.

Sec. 414. The funding in part 1 for substance abuse services shall be distributed in a manner so as to provide priority to service providers which furnish child care services to clients with children.

Sec. 418. If a person licensed to provide substance abuse services receives federal substance abuse prevention block grant funds, any priority positions established under state statute for recipients of their services shall apply only after serving those priority positions granted under the conditions of the federal block grant.

Sec. 421. 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.

Sec. 422. (1) The department shall ensure that each contract with a CMHSP shall require the CMHSP to implement programs to encourage diversions 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. Such agencies include the 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. 423. The department shall contract directly with the Salvation Army harbor light program for the provision of non-Medicaid substance abuse services.

Sec. 424. In fiscal year 1999-2000, the department shall develop a plan which conforms to the requirements of the health care finance administration for competitive procurement of contracts to manage Medicaid mental health, developmental disabilities, and substance abuse services. The department shall submit the plan to the appropriation subcommittees for community health of both the house and senate and to the health care financing administration. If the health care financing administration approves the plan, the department may implement a competitive bid pilot program that complies with the approved plan. In fiscal year 1999-2000, the department shall not implement a statewide competitive bid process.

Sec. 426. Funds appropriated for Medicaid substance abuse services shall be contracted in full to coordinating agencies through CMHSPs unless such a pass-through is held to be in violation of federal or state law or rules. If such a pass-through is not permissible, the department shall contract directly with coordinating agencies. CMHSPs shall not assume any contractual or financial liability associated with the pass-through substance abuse services funds provided to eligible recipients with these funds. The coordinating agencies shall retain financial program responsibilities and liabilities consistent with contract requirements.

STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH 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 which 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.

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$2,000,000.00 remaining on September 30, 2000 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.

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.

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 and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

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 which 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 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house and senate appropriations subcommittees.

(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.

PUBLIC HEALTH ADMINISTRATION

Sec. 701. Of the amount appropriated in part 1 from revenues from fees and collections, not more than \$250,000.00 received from the sale of vital records death data shall be used for improvements in the vital records and health statistics program.

Sec. 702. (1) From the amounts appropriated in part 1 for minority health grants and contracts, \$100,000.00 shall be allocated for an Asian women health project.

(2) The amount allocated in subsection (1) is 1-time funding for the project, shall be considered a work project appropriation, and unencumbered or unallotted funds are carried forward into the succeeding 2 fiscal years.

INFECTIOUS DISEASE CONTROL

Sec. 801. State funds appropriated in any other account in part 1 may be used to supplant not more than \$350,000.00 in federal funds projected for immunization, if the federal funds are unavailable. The department shall inform the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director of the specific line items reduced pursuant to this section.

Sec. 802. 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.

Sec. 803. 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.

Sec. 807. From the funds appropriated in part 1 for the hepatitis A immunization program in Calhoun County line item, \$100,000.00 shall be used to support the final year of a project to vaccinate 2-year-old children countywide in Calhoun County with hepatitis A vaccine for the prevention of future outbreaks of hepatitis A.

Sec. 808. 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.

EPIDEMIOLOGY

Sec. 850. From the funds appropriated in part 1 for epidemiology administration, no less than \$150,000.00 shall be allocated for the behavioral risk factor survey project.

LOCAL HEALTH ADMINISTRATION AND GRANTS

Sec. 903. 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.

Sec. 905. If a county which 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, 1999, the department shall have the authority to negotiate and assess a penalty from the local health department's administrative accounts in an amount equal to no more than 3% 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.

Sec. 908. The department shall provide a report semiannually to the house 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.

Sec. 909. (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 under contract with the Michigan department of agriculture. Public water supply, private groundwater supply, and on-site sewage management shall be provided under contract with the Michigan department of environmental quality.

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

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in fiscal year 1999-2000 of at least the amount expended in fiscal year 1992-93 for the services described in subsection (1).

(4) By April 1, 2000, the department shall report to the senate and house appropriation subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the planned allocation of the funds appropriated for local public health operations.

(5) It is the intent of the legislature that this appropriation be fully expended in fiscal year 1999-2000.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1001. (1) From the state funds appropriated in part 1, the department shall allocate funds to promote awareness, education, and early detection of breast, cervical, prostate, and colorectal cancer, and provide for other health promotion media activities.

(2) The department shall increase funds allocated to promote awareness, education, and early detection of breast, cervical, and prostate cancer by \$750,000.00 above the amount allocated for this purpose in fiscal year 1996-97.

Sec. 1002. (1) The amount appropriated in part 1 for school health and education programs shall be allocated in 1999-2000 to provide grants to or contract with certain districts and intermediate districts for the provision of a school health education curriculum. Provision of the curriculum, such as the Michigan model or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model for the comprehensive school health education state steering committee. The state steering committee shall be comprised of a representative from each of the following offices and departments:

(a) The department of education.

(b) The department of community health.

(c) The public health agency in the department of community health.

(d) The office of substance abuse services in the department of community health.

(e) The family independence agency.

(f) The department of state police.

(2) Upon written or oral request, a pupil not less than 18 years of age or a parent or legal guardian of a pupil less than 18 years of age, within a reasonable period of time after the request is made, shall be informed of the content of a course in the health education curriculum and may examine textbooks and other classroom materials that are provided to the pupil or materials that are presented to the pupil in the classroom. This subsection does not require a school board to permit pupil or parental examination of test questions and answers, scoring keys, or other examination instruments or data used to administer an academic examination.

Sec. 1003. Funds appropriated in part 1 for the Alzheimer's information network shall be used to provide information and referral services through regional networks for persons with Alzheimer's disease or related disorders, their families, and health care providers.

Sec. 1004. From the amounts appropriated in part 1 for the cancer prevention and control program, the department may allocate funds to the Hurley and Harper hospitals' prostate cancer demonstration projects in fiscal year 1999-2000.

Sec. 1005. From the funds appropriated in part 1 for physical fitness, nutrition, and health, up to \$1,000,000.00 may be allocated to the Michigan physical fitness and sports foundation. The allocation to the Michigan physical fitness and sports foundation is contingent upon the foundation providing at least a 20% cash match.

Sec. 1006. In spending the funds appropriated in part 1 for the smoking prevention program, priority shall be given to prevention and smoking cessation programs for pregnant women, women with young children, and adolescents.

Sec. 1007. (1) The funds appropriated in part 1 for violence prevention shall be used for, but not be limited to, the following:

(a) Programs aimed at the prevention of spouse, partner, or child abuse and rape.

(b) Programs aimed at the prevention of workplace violence.

(2) In awarding grants from the amounts appropriated in part 1 for violence prevention, the department shall give equal consideration to public and private nonprofit applicants.

(3) From the funds appropriated in part 1 for violence prevention, the department may include local school districts as recipients of the funds for family violence prevention programs.

Sec. 1008. From the amount appropriated in part 1 for the cancer prevention and control program, funds shall be allocated to the Karmanos cancer institute/Wayne State University, to the University of Michigan comprehensive cancer center, and to Michigan State University for cancer prevention activities.

Sec. 1009. From the funds appropriated in part 1 for the diabetes program, a portion of the funds may be allocated to the national kidney foundation of Michigan for kidney disease prevention programming including early identification and education programs and kidney disease prevention demonstration projects.

Sec. 1011. Of the funds appropriated in part 1 for the health education, promotion, and research programs, the department shall allocate \$400,000.00 to implement the osteoporosis prevention and treatment education program targeting women and school health education. As part of the program, the department shall design and implement strategies for raising public awareness on the causes and nature of osteoporosis, personal risk factors, value of prevention and early detection, and options for diagnosing and treating osteoporosis.

Sec. 1012. From the funds appropriated in part 1 for the diabetes program, \$320,000.00 shall be allocated for improving the health of African-American men in Michigan. The funds shall be used for screening and patient self-care activities for diabetes, hypertension, stroke, and glaucoma and other eye diseases.

Sec. 1014. (1) From the amounts appropriated in part 1 for violence prevention, \$500,000.00 shall be allocated to the Bay County women's center for domestic violence prevention and services programs.

(2) The amount allocated in subsection (1) shall be considered a work project appropriation, and unencumbered or unallotted funds are carried forward into the succeeding fiscal year.

Sec. 1015. The amounts appropriated in part 1 for health education, promotion, and research programs shall include \$300,000.00 in 1-time funding for an interactive health education center.

Sec. 1016. In implementing the early childhood collaborative secondary prevention program, the department shall work cooperatively with the department of education and the family independence agency to address issues and coordinate activities for community-based collaborative prevention services.

Sec. 1017. Funds appropriated for violence prevention in the amount of \$200,000.00 shall be made available to the office of drug control policy for the department of education to fund the office of safe schools.

COMMUNITY LIVING, CHILDREN, AND FAMILIES

Sec. 1101. The department shall review the basis for the distribution of funds to local health departments and other public and private agencies for the women, infants, and children food supplement program; family planning; early and periodic screening, diagnosis, and treatment program; and prenatal care outreach and service delivery support program and indicate the basis upon which any projected underexpenditures by local public and private agencies shall be reallocated to other local agencies that demonstrate need.

Sec. 1102. (1) Agencies receiving funds appropriated from part 1 for adolescent health care services shall:

(a) Require each adolescent health clinic funded by the agency to report to the department on an annual basis all of the following information:

(i) Funding sources of the adolescent health clinic.

(ii) Demographic information of populations served including sex, age, and race. Reporting and presentation of demographic data by age shall include the range of ages of 0-17 years and the range of ages of 18-23 years.

(iii) Utilization data that reflects the number of visits and repeat visits and types of services provided per visit.

(iv) Types and number of referrals to other health care agencies.

(b) As a condition of the contract, a contract shall include the establishment of a local advisory committee before the planning phase of an adolescent health clinic intended to provide services within that school district. The advisory committee shall be comprised of not less than 50% residents of the local school district, and shall not be comprised of more than 50% health care providers. A person who is employed by the sponsoring agency shall not have voting privileges as a member of the advisory committee.

(c) Not allow an adolescent health clinic funded by the agency, as part of the services offered, to provide abortion counseling or services or make referrals for abortion services.

(d) Require each adolescent health clinic funded by the agency to have a written policy on parental consent, developed by the local advisory committee and submitted to the local school board for approval if the services are provided in a public school building where instruction is provided in grades kindergarten through 12.

(2) A local advisory committee established under subsection (1)(b), in cooperation with the sponsoring agency, shall submit written recommendations regarding the implementation and types of services rendered by an adolescent health clinic to the local school board for approval of adolescent health services rendered in a public school building where instruction is provided in grades kindergarten through 12.

(3) The department shall submit a report to the members of the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies based on the information provided under subsection (1)(a). The report is due 90 days after the end of the calendar year.

Sec. 1103. Of the funds appropriated in part 1 for adolescent health care services, \$1,840,830.00 shall be allocated to teen centers as follows: \$90,000.00 base funding, and of the remaining funding 25% distributed on the number of

users, 50% distributed on the number of visits, and 25% distributed on the number of services. This formula does not apply to the alternative models.

Sec. 1104. Before April 1, 2000, the department shall submit a report to the house and senate fiscal agencies on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

- (a) Funding allocations.
- (b) Number of women, children, and/or adolescents expected to be served.
- (c) Actual numbers served and amounts expended in the categories described in subdivisions (a) to (b) for the fiscal year 1998-99.

Sec. 1105. For all programs for which an appropriation is made in part 1, the department shall contract with those local agencies best able to serve clients. Factors to be used by the department in evaluating agencies under this section shall include ability to serve high-risk population groups; ability to serve low-income clients, where applicable; availability of, and access to, service sites; management efficiency; and ability to meet federal standards, where applicable.

Sec. 1106. Each family planning program receiving federal title X family planning funds shall be in compliance with all performance and quality assurance indicators that the United States bureau of community health services specifies in the family planning annual report. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

Sec. 1106a. (1) Federal abstinence money expended in part 1 for the purpose of promoting abstinence education shall provide abstinence education to teenagers most likely to engage in high risk behavior as their primary focus, and may include programs that include 9- to 17-year-olds. Programs funded must meet all of the following guidelines:

- (a) Teaches the gains to be realized by abstaining from sexual activity.
- (b) Teaches abstinence from sexual activity outside of marriage as the expected standard for all school age children.
- (c) Teaches that abstinence is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other health problems.
- (d) Teaches that a monogamous relationship in the context of marriage is the expected standard of human sexual activity.
- (e) Teaches that sexual activity outside of marriage is likely to have harmful effects.
- (f) Teaches that bearing children out of wedlock is likely to have harmful consequences.
- (g) Teaches young people how to avoid sexual advances and how alcohol and drug use increases vulnerability to sexual advances.

(h) Teaches the importance of attaining self-sufficiency before engaging in sexual activity.

(2) Coalitions, organizations, and programs that do not provide contraceptives to minors and demonstrate efforts to include parental involvement as a means of reducing the risk of teens becoming pregnant shall be given priority in the allocations of funds.

(3) Programs and organizations that meet the guidelines of subsection (1) and criteria of subsection (2) shall have the option of receiving all or part of their funds directly from the department of community health.

Sec. 1107. Of the amount appropriated in part 1 for prenatal care outreach and service delivery support, not more than 10% shall be expended for local administration, data processing, and evaluation.

Sec. 1110. The funds appropriated in part 1 for pregnancy prevention programs shall not be used to provide abortion counseling, referrals, or services.

Sec. 1111. (1) From the amounts appropriated in part 1 for dental programs, funds shall be allocated to the Michigan dental association for the administration of a volunteer dental program that would provide dental services to the uninsured in an amount that is no less than the amount allocated to that program in fiscal year 1996-97.

(2) Not later than November 1, 1999, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house standing committees on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures through September 30, 1999.

Sec. 1113. Agencies that currently receive pregnancy prevention funds and either receive or are eligible for other family planning funds shall have the option of receiving all of their family planning funds directly from the department of community health and be designated as delegate agencies.

Sec. 1114. The department shall allocate no less than 86% of the funds appropriated in part 1 for family planning local agreements and the pregnancy prevention program for the direct provision of family planning/pregnancy prevention services.

Sec. 1117. From the funds appropriated for prenatal care outreach and service delivery support, the department shall allocate at least \$1,000,000.00 to communities with high infant mortality rates.

Sec. 1118. From the funds appropriated in part 1 for special projects, the department shall allocate no less than \$200,000.00 to provide education and outreach to targeted populations on the dangers of neonatal addiction and fetal

alcohol syndrome and further develop its infant support services to target families with infants with fetal alcohol syndrome or suffering from drug addiction.

Sec. 1119. The availability of \$625,000.00 for laboratory services and \$284,300.00 for newborn screening follow-up and treatment services is contingent upon the enactment of legislation to increase the fee for the test required to be administered to a newborn infant by section 5431 of the public health code, 1978 PA 368, MCL 333.5431, and that fee increase taking effect.

Sec. 1121. From the funds appropriated in part 1 for special projects, the amount of \$450,000.00 shall be appropriated to Michigan State University, college of human medicine, as 1-time funding for the establishment of the state infant mortality review network to establish a process dedicated to the identification and examination of factors that contribute to infant death. The process shall consist of the systematic evaluation of individual cases to determine outcome variables to measure such factors as infant mortality rates, low birth rates, prematurity rates, tobacco, alcohol and drug abuse, teen pregnancy rates, and levels of prenatal care.

Sec. 1124. From the funds appropriated in part 1 for housing and support services, the department shall allocate \$500,000.00 to the youth commonwealth (Grand Rapids) and \$500,000.00 to the Lutheran home (Bay City).

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1201. Funds appropriated in part 1 for medical care and treatment of children with special health care needs shall be paid according to reimbursement policies determined by the Michigan medical services program. Exceptions to these policies may be taken with the prior approval of the state budget director.

Sec. 1202. The department may do 1 or more of the following:

- (a) Provide special formula for eligible clients with specified metabolic and allergic disorders.
- (b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.
- (c) Provide genetic diagnostic and counseling services for eligible families.
- (d) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

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

OFFICE OF DRUG CONTROL POLICY

Sec. 1251. The office of drug control policy is required to approve grants for the federal safe and drug free schools program within 90 days from the grant application submission deadline date.

Sec. 1252. From the amount appropriated in part 1 to the office of drug control policy, anti-drug abuse grants, \$200,000.00 shall be transferred to the department of education to fund the office of safe schools.

CRIME VICTIM SERVICES COMMISSION

Sec. 1301. The per diem amount authorized for the crime victim services commission is \$100.00.

OFFICE OF SERVICES TO THE AGING

Sec. 1401. The appropriation in part 1 to the office of services to the aging, for community and nutrition services and home services, shall be restricted to eligible individuals at least 60 years of age who fail to qualify for home care services under title XVIII, XIX, or XX of the social security act, chapter 531, 49 Stat. 620.

Sec. 1402. (1) The office of services to the aging may receive and expend funds in addition to those authorized in part 1 for the additional purposes described in this section.

(2) Money appropriated in part 1 for the Michigan pharmaceutical program shall be used to purchase generic medicine when available and medically practicable.

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

- (a) The recipient's degree of frailty.
- (b) The recipient's inability to prepare his or her own meals safely.
- (c) Whether the recipient has another care provider available.
- (d) Any other qualifications normally necessary for the recipient to receive home delivered meals.

Sec. 1404. The office of services to the aging may receive and expend fees for the provision of day care, care management, and respite care. The office of services to the aging shall base the fees on a sliding scale taking into consideration the client income. The office of services to the aging shall use the fees to expand services.

Sec. 1405. The office of services to the aging may receive and expend Medicaid funds for care management services.

Sec. 1407. The office of services to the aging shall award contracts and distribute funds only to those projects that are cost effective, meet minimum operational standards, and serve the greatest number of eligible people.

Sec. 1408. The office of services to the aging shall provide that funds appropriated under this act shall be awarded on a local level in accordance with locally determined needs.

Sec. 1409. From unallocated escheat revenue used to fund respite care in the office of services to the aging, \$100,000.00 shall be used to fund the human development commission senior respite project.

Sec. 1411. The appropriation of \$5,000,000.00 of tobacco settlement funds to the office of services to the aging for the respite care program shall be allocated in accordance with a long-term care plan developed by the long-term care

working group established in section 1637 of 1998 PA 336 upon implementation of the plan. The plan shall be implemented upon meeting the requirements of section 1657 of this act. The use of the funds shall be exclusively for direct respite care.

Sec. 1412. The appropriation of \$3,000,000.00 of tobacco settlement funds to the office of services to the aging for the long-term care advisor shall be allocated in accordance with a long-term care plan developed by the long-term care working group established in section 1637 of 1998 PA 336 upon implementation of the plan. The plan shall be implemented upon meeting the requirements of section 1657 of this act.

MEDICAL SERVICES ADMINISTRATION

Sec. 1501. 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.

Sec. 1502. The department is directed to continue support of multicultural agencies which provide primary care services from the funds appropriated in part 1.

Sec. 1503. From the amounts appropriated in part 1 for palliative and hospice care, \$500,000.00 shall be allocated for education programs on and promotion of palliative care, hospice, and end of life care, and \$200,000.00 shall be allocated for a pilot project to assess long-term feasibility of paying the cost of room and board in hospice residences for low income individuals.

MEDICAL SERVICES

Sec. 1601. The department of community health shall provide an administrative procedure for the review of cost report grievances by medical services providers with regard to reimbursement under the medical services program. Settlements of properly submitted cost reports shall be paid not later than 9 months from receipt of the final report.

Sec. 1602. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services copayment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be deemed to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

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

Sec. 1603. (1) Effective October 1, 1999, the pharmaceutical dispensing fee shall be \$3.72 or the usual or customary cash charge, whichever is less. If a Medicaid recipient is 21 years of age or older, the department shall require a \$1.00 per prescription copayment, except as prohibited by federal or state law or regulation.

(2) Subsequent to the implementation of an automated pharmacy claims adjudication system, the department shall conduct a study to determine what savings may be accruing to Medicaid pharmacy providers as a result of the establishment of this system. Based on the findings from that study, the department may make a recommendation to the legislature for an adjustment to the pharmacy dispensing fee.

Sec. 1604. (1) From the funds appropriated in part 1 for pharmaceutical services, the department shall use \$50,000.00 to assess the effectiveness of utilizing low cost community-based programs that deliver prescription medications to homebound or frail elderly recipients.

(2) After identifying at least 1 existing delivery model, based on the specified criteria in subsection (1), the department may measure elements such as the elapsed time between when a prescription is ordered and when the recipient actually receives the medication, whether the existence of the delivery system increases the timeliness of obtaining refills, if a variable subsidy affects the ability of the delivery system to expand the number of elderly persons that it serves, and any other factors that may be relevant to this assessment.

(3) The department shall provide a preliminary report on its findings to the members of the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies, no later than May 1, 2000.

Sec. 1605. The cost of remedial services incurred by residents of licensed adult foster care homes and licensed homes for the aged shall be used in determining financial eligibility for the medically needy. Remedial services include basic self-care and rehabilitation training for a resident.

Sec. 1606. Medicaid adult dental services, podiatric services, and chiropractic services shall continue at not less than the level in effect on October 1, 1996, except that reasonable utilization limitations may be adopted in order to prevent excess utilization. The department shall not impose utilization restrictions on chiropractic services unless a recipient has exceeded 18 office visits within 1 year.

Sec. 1607. The department shall require copayments on dental, podiatric, chiropractic, vision, and hearing aid services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

Sec. 1609. (1) From the funds appropriated in part 1 for the indigent medical care program, the department shall establish a program which provides for the basic health care needs of indigent persons as delineated in the following subsections.

(2) Eligibility for this program is limited to the following:

(a) Persons currently receiving cash grants under either the family independence program or state disability assistance programs who are not eligible for any other public or private health care coverage.

(b) Any other resident of this state who currently meets the income and asset requirements for the state disability assistance program and is not eligible for any other public or private health care coverage.

(3) All potentially eligible persons, except those defined in subsection (2)(a), who shall be automatically enrolled, may apply for enrollment in this program at local family independence agency offices or other designated sites.

(4) The program shall provide for the following minimum level of services for enrolled individuals:

(a) Physician services provided in private, clinic, or outpatient office settings.

(b) Diagnostic laboratory and x-ray services.

(c) Pharmaceutical services.

(5) Notwithstanding subsection (2)(b), the state may continue to provide nursing facility coverage, including medically necessary ancillary services, to individuals categorized as permanently residing under color of law and who meet either of the following requirements:

(a) The individuals were medically eligible and residing in such a facility as of August 22, 1996 and qualify for emergency medical services.

(b) The individuals were Medicaid eligible as of August 22, 1996, and admitted to a nursing facility before a new eligibility determination was conducted by the family independence agency.

Sec. 1611. (1) The department may require medical services recipients residing in counties offering managed care options to choose the particular managed care plan in which they wish to be enrolled. Persons not expressing a preference may be assigned to a managed care provider.

(2) Persons to be assigned a managed care provider shall be informed in writing of the criteria for exceptions to capitated managed care enrollment, their right to change health plans for any reason within the initial 30 days of enrollment, the toll-free telephone number for problems and complaints, and information regarding grievance and appeals rights.

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

Sec. 1612. (1) The department shall not preauthorize single-source pharmaceutical products except:

(a) Those single-source pharmaceutical products that have been subject to prior authorization by the department prior to January 1, 1992.

(b) Those single-source pharmaceuticals within the categories specified in section 1927(d)(2) of title XIX of the social security act, 42 U.S.C. 1396r-8, or for the reasons delineated in section 1927(d)(3) of title XIX of the social security act, 42 U.S.C. 1396r-8.

(c) Those pharmaceutical products related to the treatment of sexual dysfunction.

(d) Those pharmaceutical products that do not have a medically accepted indication. As used in this subdivision, "medically accepted indication" means any use of a covered outpatient drug that is approved under the federal food, drug, and cosmetic act, that appears in peer reviewed medical literature, or that is accepted by 1 or more of the following compendia: the American hospital formulary service-drug information, the American medical association drug evaluations, the United States pharmacopeia-drug information, or the drugdex information system.

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

(3) The department shall continue the process of developing and implementing the automated pharmacy claims adjudication and prospective drug utilization review system and disease management system. The department shall provide bimonthly reports to the members of the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the progress of the development and implementation of this system.

Sec. 1613. The department may implement a mail-order pharmacy program for the noncapitated portion of the Medicaid program after a study by the department is submitted to the house and senate appropriations subcommittees on community health and after the repeal of section 17763(a) of the public health code, 1978 PA 368, MCL 333.17763.

Sec. 1614. (1) The department shall assure that all Medicaid children have timely access to early and periodic screening, diagnosis, and treatment (EPSDT) services as required by federal law. Medicaid managed care plans will

provide EPSDT services in accordance with EPSDT policy. Requirements for objective hearing and vision screening may be met by referral to local health departments.

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

Sec. 1615. (1) The department of community health is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department and the state budget director are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal Medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to such agreements and state and federal law.

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

(a) Finance activities within the medical services administration related to this project.

(b) Reimburse participating school districts pursuant to the fund sharing ratios negotiated in the state-local agreements authorized in subsection (1).

(c) Offset general fund costs associated with the medical services program.

Sec. 1616. The special medical services payments appropriation in part 1 may be increased if the department submits a medical services state plan amendment pertaining to this line item at a level higher than the appropriation. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

Sec. 1617. The department of community health shall obtain patient-based utilization data from those qualified health plans with which the department contracts. The data shall include immunizations, early and periodic screenings, diagnoses, and treatments, blood lead level testing, and maternal and infant support services. The department shall submit annual reports on patient-based utilization data to the members of the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, the state budget director, and the director of each local health department.

Sec. 1618. It is the intent of the legislature that payment increases for enhanced wages and new or enhanced employee benefits shall be provided to those facilities that make application for it to fund the Medicaid program share of wage and employee benefit increases up to the equivalent of 75 cents per employee hour. Employee benefits shall include, but are not limited to, health benefits, retirement benefits, and quality of life benefits such as day care services. Nursing facilities shall be required to document that these wage and benefit increases were actually provided.

Sec. 1619. Medical services shall be provided to elderly and disabled persons with incomes less than or equal to 100% of the official poverty line, pursuant to the state's option to elect such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396a.

Sec. 1620. The department may fund home and community-based services in lieu of nursing home services, for individuals seeking long-term care services, from the nursing home or personal care in-home services line items.

Sec. 1621. The department of community health shall distribute \$695,000.00 to children's hospitals that have a high indigent care volume. The amount to be distributed to any given hospital shall be based on a formula determined by the department of community health.

Sec. 1622. (1) The department shall implement enforcement actions as specified in the nursing facility enforcement provisions of section 1919 of title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396r.

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

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

Sec. 1624. (1) Medical services patients who are enrolled in qualified health plans or capitated clinic plans have the choice to elect hospice services or other services for the terminally ill that are offered by the qualified health plan or clinic plan. If the patient elects hospice services, those services shall be provided in accordance with part 214 of the public health code, 1978 PA 368, MCL 333.21401 to 333.21420.

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

Sec. 1626. (1) From the funds appropriated in part 1, the department, subject to the requirements and limitations in this section, shall establish a funding pool of up to \$44,012,800.00 for the purpose of enhancing the aggregate payment for medical services hospital services.

(2) For a county with a population of more than 2,000,000 people, the department shall distribute \$44,012,800.00 to hospitals if \$15,026,700.00 is received by the state from such a county, which meets the criteria of an allowable state

matching share as determined by applicable federal laws and regulations. If the state receives a lesser sum of an allowable state matching share from such a county, the amount distributed shall be reduced accordingly.

(3) The department may establish county-based, indigent health care programs that are at least equal in eligibility and coverage to the fiscal year 1996 state medical program.

(4) The department is authorized to establish similar programs in additional counties if the expenditures for the programs do not increase state general fund/general purpose costs and local funds are provided.

(5) If a locally administered indigent health care program replaces the state medical program authorized by section 1609 for a given county on or before October 1, 1998, the state general fund/general purpose dollars allocated for that county under this section shall not be less than the general fund/general purpose expenditures for the state medical program in that county in the previous fiscal year.

Sec. 1627. An institutional provider that is required to submit a cost report under the medical services program shall submit cost reports completed in full within 5 months after the end of its fiscal year.

Sec. 1634. (1) The department may establish a program for persons to purchase medical coverage at a rate determined by the department.

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

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

Sec. 1635. Implementation and contracting for managed care by Medicaid plans to the department are subject to the following conditions:

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

(b) A contract for an independent evaluation is in place to measure cost, access, quality, and patient satisfaction.

(c) The department shall require contracted health plans to submit data determined necessary for the evaluation on a timely basis.

(d) A health plans advisory council is functioning which meets all applicable federal and state requirements for a medical care advisory committee. The council shall review at least quarterly the implementation of the department's managed care plans.

(e) Mandatory enrollment is prohibited until there are at least 2 qualified health plans with the capacity to adequately serve each geographic area affected. Exceptions may be considered in areas where at least 85% of all area providers are in 1 plan.

(f) Enrollment of recipients of children's special health care services in qualified health plans shall be voluntary during fiscal year 1999-2000.

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

Sec. 1637. (1) Medicaid qualified health plans shall establish an ongoing internal quality assurance program for health care services provided to Medicaid recipients which includes:

(a) An emphasis on health outcomes.

(b) Establishment of written protocols for utilization review based on current standards of medical practice.

(c) Review by physicians and other health care professionals of the process followed in the provision of such health care services.

(d) Evaluation of the continuity and coordination of care that enrollees receive.

(e) Mechanisms to detect overutilization and underutilization of services.

(f) Actions to improve quality and assess the effectiveness of such action through systematic follow-up.

(g) Provision of information on quality and outcome measures to facilitate enrollee comparison and choice of health coverage options.

(h) Ongoing evaluation of the plans' effectiveness.

(i) Consumer involvement in the development of the quality assurance program and consideration of enrollee complaints and satisfaction survey results.

(2) Medicaid qualified health plans shall apply for accreditation by an appropriate external independent accrediting organization requiring standards recognized by the department once those plans have met the application requirements. The state shall accept accreditation of a plan by an approved accrediting organization as proof that the plan meets some or all of the state's requirements, if the state determines that the accrediting organization's standards meet or exceed the state's requirements.

(3) Medicaid qualified health plans shall report encounter data, including data on inpatient and outpatient hospital care, physician visits, pharmaceutical services, and other services specified by the department.

(4) Medicaid qualified health plans shall assure that all covered services are available and accessible to enrollees with reasonable promptness and in a manner which assures continuity. Medically necessary services shall be available

and accessible 24 hours a day and 7 days a week. Health plans shall continue to develop procedures for determining medical necessity which may include a prior authorization process.

(5) Medicaid qualified health plans shall provide for reimbursement of plan covered services delivered other than through the plan's providers if medically necessary and approved by the plan, immediately required, and which could not be reasonably obtained through the plan's providers on a timely basis. Such services shall be deemed approved if the plan does not respond to a request for authorization within 24 hours of the request. Reimbursement shall not exceed the Medicaid fee-for-service payment for such services.

(6) Medicaid qualified health plans shall provide access to appropriate providers, including qualified specialists for all medically necessary services.

(7) Medicaid qualified health plans shall provide the department with a demonstration of the plan's capacity to adequately serve the plan's expected enrollment of Medicaid enrollees.

(8) Medicaid qualified health plans shall provide assurances to the department that it will not deny enrollment to, expel, or refuse to reenroll any individual because of the individual's health status or need for services, and that it will notify all eligible persons of such assurances at the time of enrollment.

(9) Medicaid qualified health plans shall provide procedures for hearing and resolving grievances between the plan and members enrolled in the plan on a timely basis.

(10) Medicaid qualified health plans shall meet other standards and requirements contained in state laws, administrative rules, and policies promulgated by the department. The department may establish alternative standards and requirements that specify financial safeguards for organizations not otherwise covered by existing law which assure that the organization has the ability to accept financial risk.

(11) Medicaid qualified health plans shall develop written plans for providing nonemergency medical transportation services funded through supplemental payments made to the plans by the department, and shall include information about transportation in their member handbook.

Sec. 1638. From the funds appropriated in part 1 for health plan services, the department may contract for the assessment of quality in qualified health plans which enroll Medicaid recipients. Organizations providing such quality reviews shall meet the requirements of the department and include the following functions:

- (a) Review of plan performance based on accepted quality performance criteria.
- (b) Utilization of quality indicators and standards developed specifically for the Medicaid population.
- (c) Promote accountability for improved plan performance.

Sec. 1640. (1) The department may require a 12-month lock-in to the qualified health plan selected by the recipient during the initial and subsequent open enrollment periods, but allow for good cause exceptions during the lock-in period.

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

Sec. 1641. (1) The department shall provide an expedited complaint review procedure for Medicaid eligible persons enrolled in qualified health plans for situations where failure to receive any health care service would result in significant harm to the enrollee.

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

(3) Semiannual reports summarizing the problems and complaints reported and their resolution shall be provided to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the department's health plans advisory council.

Sec. 1642. The department shall require the enrollment contractor to provide beneficiary services. These services shall include:

- (a) Contacting eligible Medicaid beneficiaries.
- (b) Providing education on managed care.
- (c) Providing information through a toll-free number regarding available health plans and their primary care providers available in the Medicaid beneficiaries area.
- (d) Entering the beneficiaries health plan choice in the information system for communication to the state and the health plan, written notification to the beneficiary regarding their health plan choice, and notice of their right to change plans consistent with federal guidelines.
- (e) Guiding beneficiaries through both health plan and state complaint and fair hearing processes, including helping the beneficiary fill out required forms.
- (f) Being available to attend a hearing with a beneficiary if requested by the beneficiary to provide objective information regarding events that have occurred pertinent to the beneficiary.

Sec. 1643. (1) The department may provide services to medical assistance recipients under a risk sharing capitation arrangement, through contracts with provider-sponsored networks, health maintenance organizations, and other organizations. The department shall award contracts under the program at least every 5 years based on a competitive bidding process. The following provisions shall be considered in any program:

(a) In determining eligible contractors, the department shall consider provider-sponsored networks, health maintenance organizations, and other organizations. All eligible contractors shall meet the same standards for quality, access, benefits, financial, and organizational capability.

(b) The department may make separate payments directly to qualifying hospitals serving a disproportionate share of indigent patients, and to hospitals providing graduate medical education training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals will not include GME costs or DSH payments in their contracts with HMOs.

(2) Whenever economic and feasible, the department shall give preference to programs that provide a choice of qualified contractors and at least an annual open enrollment in the program.

Sec. 1644. The mother of an unborn child shall be eligible for medical services benefits for herself and her child if all other eligibility factors are met. To be eligible for these benefits, the applicant shall provide medical evidence of her pregnancy. If she is unable to provide the documentation, payment for the examination may be at state expense. The department of community health shall undertake such measures as may be necessary to ensure that necessary prenatal care is provided to medical services eligible recipients.

Sec. 1645. (1) The protected income level for Medicaid coverage determined pursuant to section 106(1)(b)(iii) of the social welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related public assistance standard.

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

Sec. 1646. For the purpose of guardian and conservator charges, the department of community health may deduct up to \$60.00 per month as an allowable expense against a recipient's income when determining medical services eligibility and patient pay amounts.

Sec. 1656. The department shall promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals. Priority shall be given to programs, such as hospice, that focus on individual dignity and quality of care provided persons with terminal illness and programs serving persons with chronic illnesses that reduce the rate of suicide through the advancement of the knowledge and use of improved, appropriate pain management for these persons; and initiatives that train health care practitioners and faculty in managing pain, providing palliative care and suicide prevention.

Sec. 1657. The long-term care working group established in section 1637 of 1998 PA 336 shall continue to exist until the long-term care working group has completed its work on a written long-term care plan. The department shall not implement a long-term care plan until the expiration of 24 days during which at least 1 house of the legislature convenes after, the long-term care working group has submitted the written long-term care plan to the senate majority leader, the speaker of the house, the senate and house appropriations subcommittees on community health, and the state budget director.

Sec. 1659. From the amounts appropriated in part 1 for hospital services, the department shall allocate for graduate medical education no less than was allocated for graduate medical education in fiscal year 1998-99.

Sec. 1660. The following sections are the only ones which shall apply to the following Medicaid managed care programs, including the comprehensive plan, children's special health care services plan, MI Choice long-term care plan, and the mental health, substance abuse, and developmentally disabled services program: 218, 235, 402, 407, 424, 426, 1611, 1614, 1624, 1635, 1637, 1638, 1640, 1641, 1642, 1643, 1662, 1663, 1690, 1691, 1692, and 1693.

Sec. 1662. (1) The department shall include provision in the contracts with health plans for full responsibility for well child visits and maternal and infant support services as described in Medicaid policy. This responsibility will also be included in the information distributed by the health plans to the members.

(2) The department shall develop and implement a budget neutral enrollment based incentive program to encourage qualified health plans to improve infant and children's health outcomes by improving access to maternal and infant support services (MSS/ISS) and to well child examinations. Qualified health plans with the most improved performance will be eligible for automatic beneficiary enrollment and those plans who fail to improve will be ineligible for new enrollment. Qualified health plans will refund to the department any unexpended MSS/ISS capitation below the fee for service equivalent MSS/ISS capitation in fiscal year 1996-97.

(3) Maternal and infant support services shall continue to be provided through state certified providers.

Sec. 1663. The department shall continue a work group on EPSDT and maternal and infant support services. The work group shall be made up of consumers, advocates, health care providers, and health plan representatives. The work group shall, at a minimum, establish an outreach program to educate providers on the requirements of EPSDT screening, and advise the department on providing targeted assistance to health plans that are screening less than 60% of the child members that are eligible for EPSDT services and recommend strategies to improve access to maternal and infant support services.

Sec. 1670. (1) The appropriation in part 1 for the MICHild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 200% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making

application for MICHild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this act. Health care coverage for children in families below 150% of the federal poverty level shall be provided through expanded eligibility under the state's Medicaid program. Health coverage for children in families between 150% and 200% of the federal poverty level shall be provided through a state-based private health care program.

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

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

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

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

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

Sec. 1673. From the funds appropriated in part 1, the department shall develop a comprehensive approach to the marketing and outreach of the MICHild program. The marketing and outreach required under this section shall be coordinated with current outreach, information dissemination, and marketing efforts and activities conducted by the department.

Sec. 1674. The department may provide up to 1 year of continuous eligibility to a family made eligible for the MICHild program unless the family's status changes and its members no longer meet the eligibility criteria as specified in the federally approved MICHild state plan.

Sec. 1676. The department may establish premiums for MICHild eligible persons in families with income above 150% of the federal poverty level. The monthly premiums shall not exceed \$5.00 for a family.

Sec. 1677. The department shall not require copayments under the MICHild program.

Sec. 1678. Families whose category of eligibility changes between the Medicaid and MICHild programs shall be assured of keeping their current health care providers through the current prescribed course of treatment for up to 1 year, subject to periodic reviews by the department if the beneficiary has a serious medical condition and is undergoing active treatment for that condition.

Sec. 1681. To be eligible for the MICHild program, a child must be residing in a family with an adjusted gross income of less than or equal to 200% of the federal poverty level. The parent's income, including stepparents' income when living with the child, or other responsible relative's income is to be used. The department's verification policy shall be used to determine eligibility.

Sec. 1682. The MICHild program shall provide all benefits available under the state employee insurance plan that are delivered through the qualified health plans and consistent with federal law, including but not limited to the following medically necessary services:

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

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

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

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

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

(f) Care management services for mental health diagnoses.

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

(h) Emergency ambulance services.

Sec. 1686. The department shall make available to health care providers a pamphlet identifying patient rights and responsibilities described in section 20201 of the public health code, 1978 PA 368, MCL 333.20201.

Sec. 1687. All nursing home rates, class I and class III, must have their respective fiscal year rate set 30 days prior to the beginning of their rate year. Rates may take into account the most recent cost report prepared and certified by the preparer, provider corporate owner or representative as being true and accurate, and filed timely, within 5 months of the fiscal year end in accordance with Medicaid policy. If the audited version of the last report is available, it shall be used. Any rate factors based on the filed cost report may be retroactively adjusted upon completion of the audit of that cost report.

Sec. 1690. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's qualified health

plan. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's qualified health plan within 24 hours of the diagnosis and treatment received.

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

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

(4) The department shall immediately convene a work group for the purpose of recommending reasonable Medicaid reimbursement rates for hospital emergency room services, which may include differential rates based on emergency room discharge diagnoses.

(5) The work group shall include, at a minimum, representatives from the Michigan association of health plans, qualified health plans, the Michigan hospital association, and the American college of emergency physicians.

(6) This work group shall also be charged with developing educational materials for the purpose of assisting Medicaid recipients in understanding when an emergency room visit may be appropriate and when other alternatives should be used.

(7) Every 2 months, the department shall provide reports to members of the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies as to the progress being made toward developing reimbursement rates as specified in subsection (4). If a consensus plan is not developed by March 31, 2000, the department shall report to the senate and house as to the reasons why a consensus could not be reached and what other options may be available to address this issue.

Sec. 1691. (1) It is the intent of the legislature that a uniform Medicaid billing form be developed by the department in consultation with affected Medicaid providers. Every 2 months, the department shall provide reports to members of the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the progress of this initiative.

(2) Until such time as a uniform billing form is developed and implemented, the following shall apply to Medicaid qualified health plans:

(a) If a billing form is received by a qualified health plan with a noncorrectable error, the qualified health plan shall return the form within 10 days to the billing provider with plain language instructions as to what items need to be corrected.

(b) If a qualified health plan fails to provide reimbursement for at least 90% of its clean claims within 30 days of receipt, the qualified health plans shall be subject to an interest charge based on the value of the unpaid claims. Interest shall be paid at the rate specified in section 3902(a) of title 31 of the United States Code, 31 U.S.C. 3902. As used in this subdivision, "clean claim" means a claim that has no defect or impropriety, including lack of required substantiating documentation for noncontracting providers and suppliers, or particular circumstances requiring special treatment that prevents timely payment from being made on the claim.

(c) If a qualified health plan has followed the procedure specified in subdivision (a), the required time for reimbursement does not begin until a corrected billing form has been received.

(d) A Medicaid provider that submits a duplicate of a claim that has been denied or returned with notice that it is incomplete or incorrect shall be subject to a service charge for each duplicate claim, in an amount determined by the department, if the duplicate claim is submitted without completion, correction, or further information that addresses the denial or return.

(3) The department shall hold regular Medicaid billing seminars targeted to both qualified health plans and Medicaid providers. The number and locations of these seminars should be sufficient to provide reasonable access to qualified health plans and Medicaid providers throughout the state. The department shall provide quarterly reports to the members of the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the number of seminars, their content and location, and the number of persons attending these seminars.

Sec. 1692. (1) The department shall do or demonstrate that it has accomplished all of the following concerning the provision of early and periodic screening, diagnosis, and treatment (EPSDT) and maternal and infant support services (MSS/ISS):

(a) Before October 1, 1999, in consultation with the Michigan association of health plans, representatives of qualified health plans, the Michigan association of local public health, the Michigan state medical society, the Michigan chapter of the American academy of pediatrics, and the Michigan association of osteopathic physicians, develop uniform service definitions for EPSDT services, MSS/ISS referral, and MSS/ISS screening and services; uniform criteria for referral for MSS/ISS screening; and uniform standards for MSS/ISS screening and services content.

(b) Explore the feasibility of developing a uniform encounter form for EPSDT services, MSS/ISS referral, and MSS/ISS screening and services.

(c) Require each qualified health plan to evaluate 100% of pregnant Medicaid enrollees for possible MSS/ISS screening referral during the initial pregnancy services visit, using uniform screening and referral criteria.

(d) Require each qualified health plan to notify the department and the appropriate local health department of all MSS/ISS screening referrals, and require all MSS/ISS screening and service providers to notify the department and the appropriate local health department of Medicaid clients who fail to keep MSS/ISS appointments.

(e) Prohibit qualified health plans from requiring prior authorization for their contracted providers for any EPSDT screening and diagnostic service, for MSS/ISS screening referral, or for up to 3 MSS/ISS service visits.

(f) Coordinate the provision of MSS/ISS services with the women, infants, and children supplemental nutrition (WIC) program, state supported substance abuse, smoking prevention, and violence prevention programs, the family independence agency, and any other state or local program with a focus on preventing adverse birth outcomes and child abuse and neglect.

(2) The department shall require the external quality review contractor required under section 1638 to conduct a statistically significant sampling of the health records of Medicaid eligible clients of all qualified health plans for the following information:

(a) The number of Medicaid enrollees under age 19.

(b) The number of Medicaid enrollees receiving at least 1 EPSDT service.

(c) The number and type of EPSDT services rendered.

(d) The immunization status of each EPSDT eligible enrollee who is seen by a plan provider.

(e) The number of enrollees receiving blood lead screening.

(f) The number of referrals to local health departments for blood lead screening, immunization, or objective hearing and vision screening services.

(g) The number of pregnant Medicaid enrollees.

(h) The number of referrals for MSS/ISS assessment.

(i) The number of MSS/ISS assessments performed.

(j) The number and description of MSS/ISS visits or services delivered.

(k) The number of prenatal visits per pregnant enrollee.

(l) Fetal or infant death, birth weight, and infant morbidity data for Medicaid enrollees.

(3) The department shall compile and report the information required in subsection (2) to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director no later than February 1, 2000.

Sec. 1693. The department shall allocate the funds appropriated in part 1 for EPSDT and maternal and infant support services outreach to qualified health plans for the purpose of contracting with local health departments to provide outreach services to Medicaid qualified health plan enrollees for whom the local health department has received notification of referral for MSS/ISS or EPSDT services, or failure to keep EPSDT or MSS/ISS appointments. Each local health department shall immediately notify the department of all Medicaid eligible individuals it has identified who are not enrolled in a Medicaid qualified health plan.

Sec. 1694. (1) By October 1, 2000, the department shall implement procedures for claims processing that use or accept a standard scannable form for dental claims.

(2) By October 1, 2000, the department shall implement procedures for claims processing that allow participating dental providers to submit claims for reimbursement for covered dental services using the American dental association's "code on dental procedures and nomenclature" as contained in the latest edition of the American dental association's publication "current dental terminology".

(3) By October 1, 2001, the department shall implement procedures for claims processing that allow participating dental providers to submit claims electronically.

Sec. 1695. (1) It is the intent of the legislature to establish an elder prescription insurance coverage program, referred to in this section as the EPIC program. The guiding principles of this program are all of the following:

(a) To enhance access to prescription medications for low income elderly residents of this state

(b) To make that access meaningful by reducing the cost to senior citizens to obtain prescription medications.

(c) To assist the elderly in understanding how prescription medications can be beneficial in treating diseases, illnesses, and conditions that are more prevalent in the aged.

(d) To provide the means by which those persons who prescribe and dispense prescription medications for the elderly are better able to recognize those prescription situations in which combinations of new and/or existing drugs, or other factors, could result in an adverse drug interaction in an elderly person.

(e) The program developed pursuant to this section is not an entitlement and benefits are limited to the level supported by the funding explicitly appropriated in this or subsequent acts.

(2) In furthering these guiding principles, the operational parameters of the EPIC program shall include at least all of the following:

(a) Limiting eligibility to Michigan residents who are over the age of 64, who have household incomes at or below 200% of poverty, and who are not eligible for Medicaid.

(b) Establishing variable premium rates based on a percentage of household income, which rate shall be not more than 5% of household income if household income is 200% of poverty and shall be zero if household income is 100% or less of poverty.

(c) A mechanism, such as limiting the number of policies sold, to ensure that expenditures do not exceed available revenue.

(3) The EPIC program shall not be implemented until after an automated pharmacy claims adjudication and prospective drug utilization review system is operational.

(4) The EPIC program shall not be implemented until section 273 of the income tax act of 1967, 1967 PA 281, MCL 206.273, is repealed.

Sec. 1696. The department shall convene a work group consisting of the department director and the chairpersons of the house and senate appropriations subcommittees on community health. The work group shall consult with representatives of rural hospitals and develop a plan for allocating the funds appropriated in part 1 for rural health initiatives. The work group shall submit its plan to the legislature by October 1, 1999.

Sec. 1697. The funds appropriated in part 1 for hospital services and therapy increases shall be distributed to hospitals as an outpatient fee adjustor payment in proportion to each hospital's Medicaid and indigent patients. A separate adjustor pool will be created for rural hospitals, including sole community providers and a separate pool shall be created for urban hospitals. One-half of the increase in appropriation shall be allocated to the rural hospitals and 1/2 shall be allocated to urban hospitals.

Sec. 1698. From the funds appropriated in part 1 for auxiliary medical services, dental fees shall be increased 4%. In addition, \$9,913,100.00 shall be used to fund projects that increase Medicaid dental capacity, especially in rural areas of the state, and at least \$1,000,000.00 shall be used to increase Medicaid dental capacity in federally qualified health centers.

Sec. 1699. From the funds appropriated in part 1 for physician services, fee increases shall be distributed to primary care practitioners who serve a disproportionate share of Medicaid patients.

Sec. 1700. The appropriation of \$10,000,000.00 of tobacco settlement funds for long-term care innovations grants shall be allocated as 1-time funding in accordance with a long-term care plan developed by the long-term care working group established in section 1637 of 1998 PA 336 upon implementation of the plan. The plan shall be implemented upon meeting the requirements of section 1657 of this act.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 1998-1999

GENERAL SECTIONS

Sec. 2101. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources in part 1A of this appropriation act is \$9,440,600.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF COMMUNITY HEALTH

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Community mental health programs.....	\$	19,984,600
Total of payments to local units of government	\$	19,984,600

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 2102. The state budget director and the house and senate fiscal agencies shall coordinate an actuarial assessment of the appropriateness of the fiscal year 1998-99 community mental health Medicaid capitation rates.

PART 2B

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2000-2001

GENERAL SECTIONS

Sec. 2201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources in part 1B of this appropriation act is \$967,888,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF COMMUNITY HEALTH

MEDICAL SERVICES

Hospital services and therapy.....	\$	17,559,300
Physician services		5,305,100
Health plan services		54,575,700
Total payments to local units of government.....	\$	77,440,100

MEDICAL SERVICES

Sec. 2202. From the funds appropriated in part 1B for health plan services, the department shall increase capitation rates payable to qualified health plans by 4% effective October 1, 2000.

Sec. 2203. From the funds appropriated in part 1B for hospital services and therapy and for physician services, the department shall increase payment rates by 4% effective October 1, 2000.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill 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 years ending September 30, 1999, September 30, 2000, and

September 30, 2001; 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; to provide for disposition of fees and other income received by the various state agencies; and to repeal acts and parts of acts.

Terry Geiger
Mark Jansen
Lynne Martinez
Conferees for the House

Joel Gougeon
John J.H. Schwarz
Robert L. Emerson
Conferees for the Senate

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 379

Yeas—37

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuetten	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Jaye

Excused—0

Not Voting—0

In The Chair: President

House Bill No. 4301, entitled

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

House Bill No. 4301, entitled

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

Recommends:

First: That the House and Senate agree to the Substitute of the Senate as passed by the Senate and to the following amendments:

1. Amend page 1, line 1, by striking out all of part 1 and inserting:

“PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of education for the fiscal year ending September 30, 2000, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	542.6	
GROSS APPROPRIATION		\$ 1,001,506,100
Interdepartmental grant revenues:		
Interdepartmental grant from consumer and industry services		404,600
Interdepartmental grant from corrections academy lease.....		478,000
Interdepartmental grant from the department of career development.....		101,200
Interdepartmental grant from treasury		100,900
Total interdepartmental grants and intradepartmental transfers		1,084,700
ADJUSTED GROSS APPROPRIATION.....		\$ 1,000,421,400
Federal revenues:		
Total federal revenues		928,508,200
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		6,141,700
Local school district service fees		102,600
Total local revenues		6,244,300
Gifts, bequests, and donations.....		470,100
Private foundations		117,200
Total private revenues		587,300
Total local and private revenues		6,831,600
Certification fees.....		3,092,000
Commodity distribution fees		45,800
Defaulted loan collection fees		100,000
Driver fees		8,098,800
Lansing, Michigan school for the blind rent		739,000
Michigan merit award trust fund		13,000,000
Motorcycle license fees.....		1,007,500
Private occupational school license fees.....		268,300
Safety education fund		311,700
School loan exception fees.....		32,900
Student insurance revenue.....		205,100
Teacher testing fees.....		263,500
Training and orientation workshop fees		100,000
Total other state restricted revenues		27,264,600
State general fund/general purpose		\$ 37,817,000

Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	16.0	
State board of education, per diem payments.....		\$ 19,400
Unclassified positions—6.0 FTE positions.....		505,500
State board/superintendent operations—16.0 FTE positions.....		2,369,500
GROSS APPROPRIATION		\$ 2,894,400

Appropriated from:

Federal revenues:		
Federal revenues		567,000
Special revenue funds:		
Private foundations		8,000
State general fund/general purpose		\$ 2,319,400

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions	56.2	
Central support—47.2 FTE positions		\$ 5,369,500
Worker's compensation		76,500
Education commission of the states		92,700
Building occupancy charges - property management services		1,285,200
Training and orientation workshops		100,000
Administrative law operations—9.0 FTE positions		817,000
Terminal leave payments		500,000
State tenure commission, per diem		11,100
GROSS APPROPRIATION		\$ 8,252,000
Appropriated from:		
Interdepartmental grant from consumer and industry services		2,300
Interdepartmental grant from the department of career development		1,200
Interdepartmental grant from treasury		900
Federal revenues:		
Federal revenues		4,082,200
Special revenue funds:		
Certification fees		139,700
Commodity distribution fees		4,500
Driver fees		17,800
Local cost sharing		60,800
Motorcycle license fees		3,500
Private occupational school license fees		12,800
Safety education fund		2,100
School loan exception fees		32,900
Teacher testing fees		8,000
Training and orientation workshop fees		100,000
State general fund/general purpose		\$ 3,783,300

Sec. 104. SCHOOL SUPPORT SERVICES

Full-time equated classified positions	41.4	
School support operations—41.4 FTE positions		\$ 4,872,400
GROSS APPROPRIATION		\$ 4,872,400
Appropriated from:		
Federal revenues:		
Federal revenues		3,892,000
Special revenue funds:		
Commodity distribution fees		41,300
Driver fees		470,400
Motorcycle license fees		136,700
Safety education fund		115,300
State general fund/general purpose		\$ 216,700

Sec. 105. DATA AND TECHNOLOGY SERVICES

Full-time equated classified positions	37.2	
Data and technology operations—37.2 FTE positions		\$ 6,421,700
GROSS APPROPRIATION		\$ 6,421,700
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from consumer and industry services		402,300
Interdepartmental grant from the department of career development		100,000
Interdepartmental grant from treasury		100,000
Federal revenues:		
Federal revenues		3,198,000
Special revenue funds:		
Certification fees		250,900
Driver fees		10,600
State general fund/general purpose		\$ 2,359,900

Sec. 106. STANDARDS, ASSESSMENT, AND ACCREDITATION SERVICES

Full-time equated classified positions	44.7	
Standards, assessment, and accreditation operations—44.7 FTE positions		\$ 3,548,300

Study of teacher preparation	237,500
Test development and administration	13,000,000
GROSS APPROPRIATION	\$ 16,785,800
Appropriated from:	
Federal revenues:	
Federal revenues	780,800
Special revenue funds:	
Michigan merit award trust fund	13,000,000
State general fund/general purpose	\$ 3,005,000
Sec. 107. SPECIAL EDUCATION SERVICES	
Full-time equated classified positions55.6	
Special education operations—55.6 FTE positions	\$ 6,313,800
GROSS APPROPRIATION	\$ 6,313,800
Appropriated from:	
Federal revenues:	
Federal revenues	6,150,100
Special revenue funds:	
Certification fees.....	19,500
State general fund/general purpose	\$ 144,200
Sec. 108. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE	
General services.....	\$ 1,227,000
GROSS APPROPRIATION	\$ 1,227,000
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from corrections academy lease.....	478,000
Special revenue funds:	
Gifts, bequests, and donations.....	10,000
Lansing, Michigan school for the blind rent	739,000
State general fund/general purpose	\$ 0
Sec. 109. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	
Full-time equated classified positions120.3	
Michigan schools for the deaf and blind operations—117.0 FTE positions.....	\$ 10,876,700
Technical resource and reproduction center	1,100,000
Summer institute	312,100
Michigan deaf/blind center—2.3 FTE positions	306,400
Camp Tuhsmeheeta—1.0 FTE position.....	250,100
Private gifts - blind	90,000
Private gifts - deaf	50,000
GROSS APPROPRIATION	\$ 12,985,300
Appropriated from:	
Federal revenues:	
Federal revenues	2,420,800
Special revenue funds:	
Local cost sharing (schools for blind/deaf)	6,080,900
Local school district service fees	102,600
Gifts, bequests, and donations.....	460,100
Student insurance revenue.....	205,100
State general fund/general purpose	\$ 3,715,800
Sec. 110. CAREER, CURRICULUM, AND POSTSECONDARY SERVICES	
Full-time equated classified positions73.9	
Career, curriculum, and adult education operations—51.9 FTE positions	\$ 6,327,800
Postsecondary operations—22.0 FTE positions.....	2,204,400
GROSS APPROPRIATION	\$ 8,532,200
Appropriated from:	
Federal revenues:	
Federal revenues	5,999,900
Special revenue funds:	
Defaulted loan collection fees.....	100,000
Private foundations	14,400
Private occupational school license fees.....	255,500

State general fund/general purpose	\$	2,162,400
Sec. 111. PROFESSIONAL PREPARATION SERVICES		
Full-time equated classified positions	26.5	
Professional preparation operations—26.5 FTE positions	\$	3,104,100
Teacher quality enhancement		2,500,000
Department of attorney general		50,000
GROSS APPROPRIATION	\$	5,654,100
Appropriated from:		
Federal revenues:		
Federal revenues		2,716,700
Special revenue funds:		
Certification fees		2,681,900
Teacher testing fees		255,500
State general fund/general purpose	\$	0
Sec. 112. FIELD SERVICES		
Full-time equated classified positions	41.0	
Field services operations—41.0 FTE positions	\$	3,922,900
GROSS APPROPRIATION	\$	3,922,900
Appropriated from:		
Federal revenues:		
Federal revenues		3,511,500
State general fund/general purpose	\$	411,400
Sec. 113. INNOVATION AND COMMUNITY SERVICES		
Full-time equated classified positions	29.8	
Innovation and community services operations—29.8 FTE positions	\$	3,310,000
Office for safe schools		200,000
GROSS APPROPRIATION	\$	3,510,000
Appropriated from:		
Federal revenues:		
Federal revenues		2,642,100
State general fund/general purpose	\$	867,900
Sec. 114. GRANTS AND DISTRIBUTIONS		
FEDERAL PROGRAMS:		
Adult basic education	\$	10,024,100
Acquired immunodeficiency syndrome education grants		600,000
Class size reduction grants		50,275,700
Competitive child care and development		500,000
Drug-free schools grant		16,758,400
Eisenhower mathematics and science grants		12,940,000
Emergency immigrant		1,455,000
Gear-up program grants		2,000,000
Goals 2000 grants		17,082,200
Handicapped infants and toddlers		16,000,000
Homeless children and youth		1,041,000
Job training partnership act		7,952,700
Michigan charter school subgrant program		5,000,000
Migrant technology		576,300
Preschool grants (PL 94-142)		13,500,000
School-age child care grants		301,500
School lunch program-federal share		237,300,000
School-to-work		1,800,000
Serve America grants		840,000
Special education		20,089,800
Statewide systemic initiative grant		50,000
Surplus commodity		2,506,000
Technology literacy challenge grants		17,784,300
Title I, comprehensive school reform		5,889,200
Title I, disadvantaged children		346,000,000
Title I, even start		5,300,000
Title I, migrant		12,000,000

Title VI, innovative strategies	13,480,900
Vocational education act of 1963	39,500,000
STATE PROGRAMS:	
Christa McAuliffe grants.....	\$ 94,800
Driver education.....	7,600,000
Motorcycle safety education	867,300
National board certification.....	20,000
Off-road vehicle safety training grant	194,300
Reading plan for Michigan grants	34,000,000
School lunch and breakfast programs.....	6,728,000
School readiness grants.....	12,083,000
GROSS APPROPRIATION	\$ 920,134,500
Appropriated from:	
Federal revenues:	
DAG-food and nutrition service, national school lunch.....	237,300,000
DAG-the emergency food assistance program	2,506,000
DED-grants and contracts service, school-to-work.....	1,800,000
DED-OBEMLA, emergency immigrant education assistance	1,455,000
DED-OESE, charter schools	5,000,000
DED-OESE, class size reduction.....	50,275,700
DED-OESE, drug-free schools and communities	16,758,400
DED-OESE, gear-up	2,000,000
DED-OESE, goals 2000	22,082,200
DED-OESE, Eisenhower mathematics and science administration.....	12,940,000
DED-OESE, migrant technology.....	576,300
DED-OESE, reading excellence act	29,000,000
DED-OESE, technology literacy challenge fund	17,784,300
DED-OESE, title I, comprehensive school reform	5,031,900
DED-OESE, title I, disadvantaged children.....	346,000,000
DED-OESE, title I, even start	5,300,000
DED-OESE, title I, migrant education	12,000,000
DED-OESE, title VI, innovative strategies.....	13,480,900
DED-OESE, title X, comprehensive school reform	857,300
DED-OSERS, handicapped infants and toddlers	16,000,000
DED-OSERS, handicapped preschool incentive grants	13,500,000
DED-OSERS, handicapped program, individuals with disabilities act	20,089,800
DED-OVAE, adult education, state administered program	10,024,100
DED-OVAE, basic grants to states	39,500,000
DED-OVAE, homeless children and youth.....	1,041,000
DOL, job training partnership act	7,952,700
HHS-ACF, at-risk child care	500,000
HHS-CDCP, AIDS education	600,000
HHS-ACF, dependent care block grant.....	301,500
National science foundation	50,000
Corporation for national and community service	840,000
Special revenue funds:	
Driver fees	7,600,000
Motorcycle license fees.....	867,300
Safety education fund	194,300
Private foundations	94,800
State general fund/general purpose	\$ 18,831,000".

2. Amend page 13, line 19, after "at" by striking out "\$66,075,100.00" and inserting "\$65,081,600.00".

3. Amend page 17, line 15, by striking out all of section 209 and inserting:

"Sec. 209. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees having jurisdiction over technology issues quarterly reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) Beginning with the report on April 1, 2000, the department shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the senate and house fiscal

agencies, and the senate and house standing committees having jurisdiction over technology issues quarterly reports identifying for the immediately preceding quarter significant problems with information systems, occurrences of information system failure as a result of noncompliance with year 2000 standards, and previously unidentified areas of significant impact. These reports shall identify systems needing corrective action and the contractual obligations of accountable parties. These reports shall give the status of the progress made in repairing and testing applications, the status of vendor supplied solutions to problems, information on the activation of manual or contract processes used to correct problems, and an itemization of the additional costs incurred.

(3) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond and for costs incurred as a result of initiating corrective actions. At the time progress billings are presented for reimbursement, the department shall identify the funding sources that should support the work performed and the department of management and budget shall forward the appropriated funding.”.

4. Amend page 18, line 11, by striking out all of section 211 and inserting:

“Sec. 211. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.”.

5. Amend page 20, line 3, after “for” by striking out the balance of the line through “services” on line 4 and inserting “the office for safe schools”.

6. Amend page 21, line 26, by striking out all of section 220 and inserting:

“Sec. 220. The department shall implement a pilot program that places reports required by this act on the Internet, with electronic notification to legislative offices of Internet access to the reports. During fiscal year 2000, the department shall continue to distribute all of these reports to the legislature in the current printed format.”.

7. Amend page 22, line 4, by striking out all of section 221.

8. Amend page 22, following line 10, by striking out all of sections 222 and 223 and inserting:

“Sec. 222. The department shall require all public school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the local school board against the teacher or employee for sexual misconduct. The records shall not be destroyed or removed from the teacher’s or employee’s personnel file except as required by a court order.

Sec. 223. For fiscal year 1999-2000, the department shall contract with and provide administration for the same local sponsors that participated in the emergency food assistance program under an agreement that was agreed to by the department for fiscal year 1998-99, unless the local sponsor elects not to participate in the program.”.

9. Amend page 23, following line 20, by inserting:

“(3) If an audit finds that a public school academy has significantly misrepresented its enrollment membership or financial data to the department, its funding shall be withheld and the public school academy shall be required to reimburse the state any appropriations made as a result of the misrepresentations.

(4) A public school academy found to have misrepresented its enrollment membership may utilize the same appeal process as a school district.”.

10. Amend page 25, following line 6, by striking out all of section 506 and inserting:

“Sec. 506. Beginning September 1, 1999, the department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.”.

11. Amend page 35, line 25, by striking out all of section 809.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

Ron Jelinek
Tony Stamas
Thomas Kelly
Conferees for the House

Loren Bennett
Mike Goschka
Jackie Vaughn III
Conferees for the Senate

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 380**Yeas—37**

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuetten	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Jaye

Excused—0**Not Voting—0**

In The Chair: President

Senator Steil submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 361, entitled

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2000; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate and to the following amendments:

1. Amend page 1, line 1, by striking out all of part 1 and inserting:

“PART 1**LINE-ITEM APPROPRIATIONS**

Sec. 101. The amounts listed in this part are appropriated for the department of consumer and industry services, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2000, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions64.5

Full-time equated classified positions4,148.4

GROSS APPROPRIATION \$ 495,233,500

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers 4,020,900

ADJUSTED GROSS APPROPRIATION \$ 491,212,600

Federal revenues:

Total federal revenues 219,090,000

Special revenue funds:		
Total local revenues	0.0	
Total private revenues		791,900
Total other state restricted revenues		193,473,200
State general fund/general purpose	\$	77,857,500
Sec. 102. EXECUTIVE DIRECTION		
Full-time equated unclassified positions	64.5	
Full-time equated classified positions	84.0	
Unclassified salaries.....	\$	5,021,300
Executive director programs—11.0 FTE positions		1,778,900
Policy development—9.0 FTE positions		1,362,200
Utility consumer representation		850,000
Regulatory efficiency improvements/backlog reduction initiative		750,000
MES board of review program—21.0 FTE positions.....		1,634,000
Office of legal affairs—43.0 FTE positions.....		3,969,600
GROSS APPROPRIATION	\$	15,366,000
Appropriated from:		
Federal revenues:		
DOL-ETA, unemployment insurance.....		2,039,900
DOL, multiple grants for safety and health.....		148,100
Special revenue funds:		
Bank fees		174,200
Boiler fees.....		22,500
Construction code fund		272,800
Consumer finance fees		40,300
Corporation and securities fees		181,000
Credit union fees.....		83,500
Elevator fees		26,000
Fees and collections/asbestos		10,700
Health professions regulatory fund		1,818,500
Health systems fees and collections		47,600
Insurance regulatory fees		539,600
Licensing and regulation fees.....		267,200
Liquor purchase revolving fund		1,195,800
Manufactured housing commission fees.....		145,600
Michigan state housing development authority fees and charges.....		295,800
Motor carrier fees		25,500
Property development fees		4,300
Public utility assessments		1,505,200
Safety education and training fund.....		200,300
Second injury fund.....		68,300
Self-insurers security fund		18,000
Silicosis and dust disease fund.....		26,200
Utility consumer representation fund		850,000
Worker's compensation administrative revolving fund		53,200
State general fund/general purpose	\$	5,305,900
Sec. 103. COUNCIL FOR ARTS AND CULTURAL AFFAIRS		
Full-time equated classified positions	9.0	
Administration—9.0 FTE positions.....	\$	855,400
Arts and cultural grants.....		21,548,700
GROSS APPROPRIATION	\$	22,404,100
Appropriated from:		
Federal revenues:		
NFAH-NEA, promotion of the arts, state and regional programs		700,000
STATE RESTRICTED REVENUES:		
State general fund/general purpose	\$	21,704,100
Sec. 104. FIRE SAFETY		
Full-time equated classified positions	54.0	
Office of fire safety—54.0 FTE positions	\$	4,368,200
GROSS APPROPRIATION	\$	4,368,200

Appropriated from:

Interdepartmental grant revenues:

IDG from department of community health, inspection contract.....	109,200
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Federal revenues:

Federal funds	1,298,300
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Special revenue funds:

Fire alarm regulation fees	164,300
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Fire services fees	1,618,700
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State general fund/general purpose	\$ 1,177,700
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Sec. 105. MANAGEMENT SERVICES

Full-time equated classified positions	178.0
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Administrative services—74.0 FTE positions.....	\$ 5,144,600
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Technology support—104.0 FTE positions	12,540,000
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Health services information systems	750,000
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Insurance automation	750,000
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Rent	6,306,400
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Building occupancy charges - property development services.....	4,767,900
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Worker's compensation	1,009,900
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Special project advances	740,000
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GROSS APPROPRIATION	\$ 32,008,800
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Appropriated from:

Federal revenues:

DOL-ETA, unemployment insurance.....	342,400
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DOL, multiple grants for safety and health.....	671,600
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Federal funds	751,200
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HHS, federal funds	76,100
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Special revenue funds:

Private - special project advances	740,000
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Bank fees	299,200
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Boiler fee revenue.....	220,700
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Construction code fund	1,247,100
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Consumer finance fees	136,500
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Corporations and securities fees.....	2,026,700
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Credit union fees.....	214,800
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Elevator fees	321,400
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Fees and collections/asbestos	52,100
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Health professions regulatory fund	3,559,200
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Health systems fees and collections	256,500
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Insurance regulatory fees	2,164,900
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Licensing and regulation fees.....	1,905,300
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Liquor license fees.....	160,900
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Liquor purchase revolving fund	4,948,400
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Manufactured housing commission fees.....	117,900
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Michigan state housing development authority fees and charges.....	1,780,600
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Motor carrier fees	187,600
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Property development fees	6,100
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Public utility assessments	2,409,700
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Safety education and training fund.....	385,700
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Second injury fund.....	77,400
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Self insurers' security fund	20,300
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Silicosis and dust disease fund.....	29,900
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Worker's compensation administrative revolving fund	1,179,100
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State general fund/general purpose	\$ 5,719,500
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Sec. 106. FINANCIAL SERVICES AND CORPORATIONS

Full-time equated classified positions	375.0
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Manufactured housing commission, per diem \$50.00.....	\$ 7,800
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Manufactured housing and land resources program—15.0 FTE positions	1,456,900
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Corporate services—61.0 FTE positions	4,923,800
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Investment oversight—29.0 FTE positions	2,523,800
Local manufactured housing communities inspections	250,000
Property development group—13.0 FTE positions	1,382,100
Remonumentation grants	4,500,000
Financial institutions administration—18.0 FTE positions	1,291,100
Bank regulation—50.0 FTE positions	5,166,000
Credit union regulation—41.0 FTE positions	3,430,600
Financial institutions consumer protection—19.0 FTE positions	1,721,200
Financial institutions policy and legislation—5.0 FTE positions	371,300
Federal regulatory projects	50,600
Insurance bureau administration — 18.0 FTE positions	2,155,600
Insurance financial standards — 49.0 FTE positions	7,416,100
Insurance licensing and enforcement — 30.0 FTE positions	2,533,100
Insurance market standards and consumer services— 27.0 FTE positions	2,478,300
GROSS APPROPRIATION	\$ 41,658,300

Appropriated from:

Federal revenues:

Federal regulatory project revenues	50,600
Special revenue funds:	
Private - travel funds	5,900
Bank fees	5,988,900
Certification and copying fees	2,127,500
Consumer finance fees	1,972,300
Corporation and securities fees	5,731,000
Credit union fees	4,019,000
Insurance continuing education fees	532,400
Insurance licensing and regulation fees	3,127,600
Insurance regulatory fees	10,785,300
Land sales fees	20,000
Limited liability partnership revenue	10,000
Manufactured housing commission fees	1,845,800
Multiple employer welfare arrangement	131,900
Property development fees	231,000
Remonumentation fees	5,079,100
State general fund/general purpose	\$ 0

Sec. 107. PUBLIC SERVICE COMMISSION

Full-time equated classified positions	151.0
Administration, planning and regulation—151.0 FTE positions	\$ 17,415,500
GROSS APPROPRIATION	\$ 17,415,500

Appropriated from:

Federal revenues:

DOE-OEERE, multiple grants	2,227,900
DOT-RSPA, gas pipeline safety	265,000
Special revenue funds:	
Private - Great Lakes governors council	46,000
Motor carrier fees	1,787,700
Public utility assessments	13,088,900
State general fund/general purpose	\$ 0

Sec. 108. LIQUOR CONTROL COMMISSION

Full-time equated classified positions	183.0
Management support services—43.0 FTE positions	\$ 2,929,900
Liquor licensing and enforcement—140.0 FTE positions	10,309,800
Liquor law enforcement grants	6,000,000
Grant to department of agriculture, wine industry council	424,100
GROSS APPROPRIATION	\$ 19,663,800

Appropriated from:

Special revenue funds:

Liquor license revenue	10,773,300
Liquor purchase revolving fund	8,466,400

Nonretail liquor license revenue.....		424,100
State general fund/general purpose	\$	0
Sec. 109. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY		
Full-time equated classified positions	233.0	
Payments on behalf of tenants.....	\$	66,000,000
Housing and rental assistance program—227.0 FTE positions		21,070,500
Automatic data processing—6.0 FTE positions.....		862,500
Homeless program		5,290,800
GROSS APPROPRIATION	\$	93,223,800
Appropriated from:		
Federal revenues:		
HUD, lower income housing assistance program		79,049,500
Special revenue funds:		
Michigan state housing development authority fees and charges.....		14,174,300
State general fund/general purpose	\$	0
Sec. 110. TAX TRIBUNAL		
Full-time equated classified positions	14.0	
Operations—14.0 FTE positions	\$	1,576,500
GROSS APPROPRIATION	\$	1,576,500
Appropriated from:		
Special revenue funds:		
Tax tribunal fees		605,500
State general fund/general purpose	\$	971,000
Sec. 111. GRANTS		
Fire protection grants	\$	6,675,000
GROSS APPROPRIATION	\$	6,675,000
Appropriated from:		
Special revenue funds:		
Liquor purchase revolving fund		6,675,000
State general fund/general purpose	\$	0
Sec. 112. HEALTH REGULATORY SYSTEMS		
Full-time equated classified positions	357.0	
Health systems administration—211.0 FTE positions	\$	18,593,600
Nursing home quality incentive grants		10,000,000
Emergency medical services program state staff—10.0 FTE positions.....		1,084,200
Radiological health administration and projects—24.0 FTE positions		1,876,800
Substance abuse program administration—4.0 FTE positions		387,000
Emergency medical services grants and contracts		1,062,100
Health services—108.0 FTE positions		11,875,400
GROSS APPROPRIATION	\$	44,879,100
Appropriated from:		
Federal revenues:		
Federal funds		17,725,100
Special revenue funds:		
Controlled substance license fees.....		1,304,400
Health professions regulatory fund		10,121,000
Health systems fees and collections		3,722,300
Nurse professional fund		450,000
State general fund/general purpose	\$	11,556,300
Sec. 113. REGULATORY SERVICES		
Full-time equated classified positions	275.0	
AFC, children's welfare and day care licensure—275.0 FTE positions.....	\$	20,762,800
GROSS APPROPRIATION	\$	20,762,800
Appropriated from:		
Federal revenues:		
HHS, federal funds		8,618,500
Special revenue funds:		
Licensing fees		460,800
State general fund/general purpose	\$	11,683,500

Sec. 114. OCCUPATIONAL REGULATION

Full-time equated classified positions	240.0	
Commissions and boards.....		\$ 41,900
Code enforcement—99.0 FTE positions.....		7,427,600
Code enforcement flexibility.....		632,100
Boiler inspection program—18.0 FTE positions		1,449,400
Elevator inspection program—23.0 FTE positions		1,740,800
Commercial services—100.0 FTE positions.....		8,194,100
GROSS APPROPRIATION		\$ 19,485,900

Appropriated from:

Special revenue funds:

Boiler fee revenue		1,588,100
Construction code fund		7,861,100
Elevator fees		1,842,600
Health professions regulatory fund		221,600
Homeowner construction lien recovery fund.....		1,528,900
Licensing and regulation fees.....		6,181,100
Real estate appraiser continuing education fund		45,000
Real estate education fund		217,500
State general fund/general purpose		\$ 0

Sec. 115. EMPLOYMENT RELATIONS

Full-time equated classified positions	28.0	
Fact finding and arbitration.....		\$ 169,300
Employment and labor relations—28.0 FTE positions		2,792,300
GROSS APPROPRIATION		\$ 2,961,600

Appropriated from:

Special revenue funds:

Publication revenue		25,000
State general fund/general purpose		\$ 2,936,600

Sec. 116. SAFETY AND REGULATION

Full-time equated classified positions	276.0	
Commissions and boards.....		\$ 27,700
Employment standards enforcement—38.0 FTE positions		2,434,400
Subgrantees.....		1,026,900
Occupational safety and health—238.0 FTE positions		21,235,700
GROSS APPROPRIATION		\$ 24,724,700

Appropriated from:

Federal revenues:

DOL, multiple grants for safety and health.....		12,202,300
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Special revenue funds:

Fees and collections/asbestos		694,200
Safety education and training fund.....		5,074,800
State general fund/general purpose		\$ 6,753,400

Sec. 117. WORKER'S DISABILITY COMPENSATION

Full-time equated classified positions	172.4	
Administration—119.0 FTE positions		\$ 8,020,100
Board of magistrates administration—8.0 FTE positions		1,737,400
Appellate commission administration—11.4 FTE positions		803,400
Supplemental benefit fund		1,500,000
Insurance funds administration—34.0 FTE positions		10,146,300
Automatic data processing		506,000
Grant to the department of career development - hire the handicapped program.....		50,000
GROSS APPROPRIATION		\$ 22,763,200

Appropriated from:

Special revenue funds:

Second injury fund.....		6,456,300
Self insurers' security fund		1,720,100
Silicosis and dust disease fund.....		2,525,900
Worker's compensation administrative revolving fund		2,011,400
State general fund/general purpose		\$ 10,049,500

Sec. 118. UNEMPLOYMENT AGENCY

Full-time equated classified positions	1,519.0	
Worker's compensation	\$	622,700
Rent		4,232,000
Building occupancy charges - property development service		2,071,300
Unemployment programs—1,441.7 FTE positions		91,345,500
Advocacy assistance program—8.0 FTE positions		1,516,500
Special audit and collections program—34.0 FTE positions		2,085,600
Training program for agency staff—2.1 FTE positions		1,044,100
Expanded fraud control program—33.2 FTE positions		2,378,500
GROSS APPROPRIATION	\$	105,296,200

Appropriated from:

Interdepartmental grant revenues:

IDG from family independence agency	3,911,700
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Federal revenues:

DOL, employment and training administration	500,000
DOL, unemployment insurance	88,423,500
Federal reed act funds	4,000,000

Special revenue funds:

Contingent fund, penalty and interest account	8,461,000
State general fund/general purpose	\$ 0".

2. Amend page 15, line 20, after "at" by striking out "\$270,830,700.00" and inserting "\$256,330,700.00".

3. Amend page 16, line 9, after "director" by inserting a comma and "the house and senate appropriations committees, and the fiscal agencies".

4. Amend page 17, line 6, by striking out all of subdivisions (p) and (q) and relettering the remaining subdivisions.

5. Amend page 17, line 13, by striking out all of sections 203 and 204 and inserting:

"Sec. 203. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 204. A department or agency billed by the department of civil service for the 1% charge authorized by section 5 of article XI of the state constitution of 1963 by the end of the first fiscal quarter shall pay the total amount of the billing by the end of the second fiscal quarter."

6. Amend page 18, line 1, by striking out all of sections 206, 207, 208, and 209 and inserting:

"Sec. 206. The department shall not permit any other department, agency, or office of this state to use funds or FTE positions authorized for the department or allow any funds or FTE positions from any other department, agency, or office to be used within the department without a 30-day notice given to the appropriate subcommittees of the house and senate appropriations committees.

Sec. 207. (1) Beginning October 1, 1999, 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 or to positions that are funded with 80% or more federal or restricted funds.

(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. The state budget director shall report by the fifteenth of each month 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 exceptions.

Sec. 208. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 209. (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 for the department.

(2) The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies or both."

7. Amend page 19, line 8, after "available." by striking out the balance of the section.

8. Amend page 19, line 18, by striking out all of section 212.

9. Amend page 20, line 23, by striking out all of sections 214 and 215 and inserting:

"Sec. 214. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the fiscal agencies, and the house and senate standing committees having jurisdiction over

technology issues quarterly reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) Beginning with the report on April 1, 2000, the department shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the senate and house standing committees having jurisdiction over technology issues quarterly reports identifying for the immediately preceding quarter significant problems with information systems, occurrences of information system failure as a result of noncompliance with year 2000 standards, and previously unidentified areas of significant impact. These reports shall identify systems needing corrective action and the contractual obligations of accountable parties. These reports shall give the status of the progress made in repairing and testing applications, the status of vendor supplied solutions to problems, information on the activation of manual or contract processes used to correct problems, and an itemization of the additional costs incurred.

(3) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond and for costs incurred as a result of initiating corrective actions. At the time progress billings are presented for reimbursement, the department shall identify the funding sources that should support the work performed and the department of management and budget shall forward the appropriated funding.

Sec. 215. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The first report shall be due March 1, 2000, and biennially thereafter beginning on May 1 and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the fiscal agencies, and the director.

Sec. 216. The department shall implement a pilot program that places reports required by this act on the Internet, with electronic notification to legislative offices of Internet access to the reports. During fiscal year 2000, the department shall continue to distribute all of these reports to the legislature in the current printed format."

10. Amend page 22, line 17, by striking out all of section 305 and inserting:

"Sec. 305. The appropriation in part 1 may be used for per diem payments to the members of commissions or boards for a full day of committee work at which a quorum is present or for performing official business as authorized by each respective commission or board. The per diem payments shall be at a rate as follows:

(a) Michigan board of chiropractic medicine	\$50.00 per day
(b) Michigan board of dentistry	\$50.00 per day
(c) Michigan board of medicine	\$50.00 per day
(d) Board of nursing	\$50.00 per day
(e) Michigan board of optometry	\$50.00 per day
(f) Michigan board of osteopathic medicine and surgery	\$50.00 per day
(g) Michigan board of pharmacy	\$50.00 per day
(h) Michigan board of podiatric medicine and surgery	\$50.00 per day
(i) Michigan board of psychology	\$50.00 per day
(j) Michigan board of physical therapy	\$50.00 per day
(k) Physicians' assistants task force	\$50.00 per day
(l) Michigan board of veterinary medicine	\$50.00 per day
(m) Michigan board of occupational therapists	\$50.00 per day
(n) Michigan board of professional counselors	\$50.00 per day
(o) Health occupations council	\$50.00 per day
(p) Board of accountancy	\$50.00 per day
(q) Board of architects	\$50.00 per day
(r) Athletic board of control	\$50.00 per day
(s) Board of barber examiners	\$50.00 per day
(t) Residential builders' and maintenance and alteration contractor's board	\$50.00 per day
(u) Carnival-amusement safety board	\$50.00 per day
(v) Collection practices board	\$50.00 per day
(w) Board of cosmetology	\$50.00 per day
(x) Employment agency board	\$50.00 per day
(y) Board of professional engineers	\$50.00 per day
(z) Board of land surveyors	\$50.00 per day

(aa) Board of landscape architects	\$50.00 per day
(bb) Board of marriage counselors	\$50.00 per day
(cc) Board of examiners in mortuary science	\$50.00 per day
(dd) Nursing home administrators' board.....	\$50.00 per day
(ee) Board of real estate brokers and salespersons	\$50.00 per day
(ff) Ski area safety board	\$50.00 per day
(gg) Board of examiners of social workers	\$50.00 per day
(hh) Commission on professional and occupational licensure	\$50.00 per day
(ii) Board of real estate appraisers	\$50.00 per day
(jj) Utility consumer participation board.....	\$50.00 per day
(kk) Construction code commission	\$50.00 per day
(ll) Plumbing board.....	\$50.00 per day
(mm) Electrical board	\$50.00 per day
(nn) Barrier free design board.....	\$50.00 per day
(oo) Mechanical board	\$50.00 per day
(pp) Boiler board	\$50.00 per day
(qq) Elevator board.	\$50.00 per day
(rr) General industry safety standards commission.....	\$50.00 per day
(ss) General industry safety standards advisory committees.....	\$50.00 per day
(tt) Construction safety standards commission	\$50.00 per day
(uu) Construction safety standards advisory committees.....	\$50.00 per day
(vv) Board of health and safety compliance appeals	\$50.00 per day
(ww) Occupation health standards commission.....	\$50.00 per day
(xx) Fire safety board	\$50.00 per day
(yy) Occupational health standards advisory committee.....	\$50.00 per day”.

11. Amend page 26, following line 18, by inserting:

“(11) From the funds appropriated in part 1 for arts and cultural grants, organizations receiving grants within the state arts anchor organization category for either the fiscal year ending September 30, 1999 or the fiscal year ending September 30, 2000 shall not receive a combined grant award from this and any other Michigan council for arts and cultural affairs grant categories, with the exception of the partnership program, in excess of 19.8% of the organization’s operating revenue. For the purposes of this subsection, “operating revenue” shall be defined in the same manner as it was defined during the fiscal year 1999 state arts anchor organization application process. It is the intent of the legislature that the Michigan council for arts and cultural affairs take appropriate steps to ensure that all organizations receiving state arts anchor organization grants have combined grant awards, as defined above, of no more than 15.0% of operating revenue for the fiscal year ending September 30, 2005 and beyond.”.

12. Amend page 27, line 15, by striking out all of section 310.

13. Amend page 29, line 24, by striking out all of section 316 and inserting:

“Sec. 316. (1) From the amount appropriated in part 1 to health systems administration, the department shall provide funding for not less than 113 inspectors to annually survey and investigate the care and services delivered in nursing homes, county medical care facilities, and hospital long-term care units in accordance with provisions in the public health code, 1978 PA 368, MCL 333.1101 to 333.25211, and federal Medicare and Medicaid certification standards.

(2) The department, in keeping with the severity of the allegations, shall investigate complaints alleging poor care and services occurring on nights or weekends in nursing homes, county medical care facilities, and hospital long-term care units by conducting on-site investigations on nights or weekends.”.

14. Amend page 32, line 2, by striking out all of sections 321 and 322 and inserting:

“Sec. 321. (1) The department shall develop a nursing home quality care incentive program. The purpose of the program will be to provide financial incentives for nursing homes to develop high quality care services. Grants shall be awarded to nursing homes that can demonstrate an existing commitment to providing high quality care.

(2) The department shall develop the specific criteria for the awarding of these grants. At a minimum, these criteria shall include some measure of resident satisfaction with the level of care provided. The criteria may also include the results of the facility’s annual survey conducted by the department.

(3) The department shall report to the house and senate appropriations committees and the fiscal agencies by October 1, 1999 regarding the exact criteria to be used in awarding the grants.

(4) The department shall both notify nursing home care providers of the criteria to be used in awarding grants and have the grant process in place by January 1, 2000.

(5) The department shall award all grant funds appropriated for this purpose by September 30, 2000 and by September 30 of each year thereafter.”.

15. Amend page 32, line 26, by striking out all of section 324 and inserting:

“Sec. 324. The department, bureau of safety and regulation, shall provide an annual report by February 1 of each year to the appropriate house and senate appropriations subcommittees and the fiscal agencies on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the preceding calendar year.”.

16. Amend page 33, following line 2, following section 325, by striking out all of section 326 and inserting:

“Sec. 326. As a condition for receiving the general fund/general purpose appropriations in part 1 for health systems administration, the department shall provide assistance to any person making an oral request for a nursing home investigation in putting his or her request into writing, shall initiate investigations on all written nursing home complaints filed with the department within 15 days of receipt of the complaint, and shall provide a written response to the complainant within 30 days of receipt of the written complaint.

Sec. 327. Of the funds appropriated in part 1 for insurance bureau administration, the insurance bureau may utilize up to \$15,000.00 in insurance regulatory and licensing fee revenue to pay for legislators designated by the senate majority leader and speaker of the house of representatives to participate in insurance activities coordinated by insurance and legislative associations including the national association of insurance commissioners and the national council of insurance legislators in accordance with section 225 of the insurance code of 1956, 1956 PA 218, MCL 500.225. The insurance commissioner shall maintain a list of the names of and amounts provided to individual legislators pursuant to this section.

Sec. 328. It is the intent of the legislature that the unemployment agency, during its transition to the remote initial claims system, operate a sufficient number of unemployment agency offices, including itinerant or satellite offices, within Michigan’s Upper Peninsula to ensure that the citizens of the Upper Peninsula can access these offices without excessive travel.

Sec. 329. The department shall provide for the updating of all relevant files and lists maintained by the Michigan child care clearinghouse. The department shall provide a report to the appropriate house and senate appropriations subcommittees on the costs involved with complying with this section by September 30, 2000.

Sec. 330. As a condition for receiving the funds appropriated in part 1 for emergency medical services grants and contracts, the department and the relevant grantees shall work collaboratively to develop a plan to ensure that a sufficient number of qualified emergency medical services personnel exist to serve rural areas of the state. This plan shall be submitted to the relevant house and senate appropriations subcommittees and the fiscal agencies by January 15, 2000.”.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2000; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Glenn Steil
Leon Stille
Joe Young, Jr.
Conferees for the Senate

Patricia Godchaux
Janet Kukuk
Conferees for the House

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 381

Yeas—37

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussiaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuetz	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Jaye

Excused—0**Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator V. Smith moved that the Committee on Government Operations be discharged from further consideration of the following resolution:

Senate Resolution No. 53.

A resolution to urge the Federal Communications Commission to adopt rules to provide for new low-power FM radio stations.

The motion did not prevail, a majority of the members serving not voting therefor.

Senator Rogers moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage:

House Bill No. 4065

House Bill No. 4498

House Bill No. 4586

House Bill No. 4744

House Bill No. 4745

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate proceeded to the order of

Third Reading of Bills

Senator Rogers moved that the following bills be placed at the head of the Third Reading of Bills calendar:

House Bill No. 4498

House Bill No. 4065

House Bill No. 4586

House Bill No. 4744

House Bill No. 4745

The motion prevailed.

The following bill was read a third time:

House Bill No. 4498, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 11, 11f, 11g, 13, 17b, 18, 20, 20b, 24, 26a, 31a, 31c, 36, 36a, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91b, 94, 99, 101, 104a, 105, 107, 147, and 166b (MCL 388.1606, 388.1611, 388.1611f, 388.1611g, 388.1613, 388.1617b, 388.1618, 388.1620, 388.1620b, 388.1624, 388.1626a, 388.1631a, 388.1631c, 388.1636, 388.1636a, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1691b, 388.1694, 388.1699, 388.1701, 388.1704a, 388.1705, 388.1707, 388.1747, and 388.1766b), sections 6, 11, 11g, 17b, 20, 20b, 26a, 31a, 51a, 63, 81, and 105 as amended by 1998 PA 553, sections 11f, 24, 31c, 36, 36a, 41, 53a, 54, 56, 57, 61a, 62, 68, 74, 94, 99, 101, 107, 147, and 166b as amended by 1998 PA 339, sections 13 and 18 as amended

by 1996 PA 300, section 67 as amended by 1997 PA 142, section 91b as added by 1995 PA 130, and section 104a as amended by 1997 PA 176, and by adding sections 20j, 20k, 31d, 32, 33, 34, 43, and 105c; and to repeal acts and parts of acts.

The question being on the passage of the bill,
Senator Jaye offered the following amendment:

1. Amend page 77, line 20, by striking out all of section 43 and inserting:

“SEC. 43. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED \$80,000,000.00 FOR 1999-2000 FOR PAYMENTS TO DISTRICTS FOR COMPUTER TECHNOLOGY. THIS MONEY SHALL BE DISTRIBUTED TO DISTRICTS ON AN EQUAL PER PUPIL BASIS AND SHALL BE EXPENDED ONLY FOR COMPUTER TECHNOLOGY.” and adjusting the totals in section 11 accordingly.

The question being on the adoption of the amendment,

Senator Jaye requested the yeas and nays.

The yeas and nays were not ordered, 1/5 of the members present not voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Peters offered the following amendment:

1. Amend page 77, following line 26, by inserting:

“SEC. 44. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED \$20,000,000.00 EACH FISCAL YEAR FOR 1999-2000 AND 2000-2001 FOR SCHOOL SAFETY GRANTS. THE GRANTS SHALL BE USED FOR 1 OR MORE OF THE FOLLOWING:

(A) SCHOOL LIAISON OFFICERS.

(B) TRAINING FOR TEACHER AND SCHOOL PERSONNEL IN IDENTIFYING EARLY WARNING SIGNS OF VIOLENT BEHAVIOR.

(C) COMMUNITY POLICING.

(D) SCHOOL COUNSELORS.

(E) DISPUTE MEDIATION PROGRAMS.

(F) OTHER PURPOSES AS APPROVED BY THE DEPARTMENT.” and adjusting the totals in section 11 accordingly.

The question being on the adoption of the amendment,

Senator V. Smith requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The Senators being equally divided (yeas 19; nays 19), the Lieutenant Governor voted “nay.”

The amendment was not adopted, 19 members serving and the Lieutenant Governor not voting therefor, as follows:

Roll Call No. 382

Yeas—19

Byrum	Goschka	Koivisto	Smith, A.
Cherry	Hammerstrom	Leland	Smith, V.
DeBeaussaert	Hart	Miller	Vaughn
Dingell	Jaye	Murphy	Young
Emerson	Johnson	Peters	

Nays—19

Bennett	Gast	North	Sikkema
Bullard	Gougeon	Rogers	Steil
DeGrow	Hoffman	Schuette	Stille
Dunaskiss	McCotter	Schwarz	Van Regenmorter
Emmons	McManus	Shugars	

Excused—0

Not Voting—0

Protests

Senators Emmons, Rogers and McCotter, under their constitutional right of protest (Art. 4, Sec. 18), protested against the amendment offered by Senator Peters to House Bill No. 4498.

Senator Emmons moved that the statements she made during the discussion of the amendment be printed as her reasons for voting “no.”

The motion prevailed.

Senator Emmons’ first statement, in which Senators Rogers and McCotter concurred, is as follows:

I would oppose this at this time. This is typical throw the money at it and see where it hangs. We are in the process of asking schools a lot of questions; we’re asking them how they do things. It is not apparent yet that money is the problem; it’s a lot of planning that is the problem. So, until we have a clear idea of which of these programs the schools are actually interested in doing, we should wait and see what happens with the task force. I agree totally with the subcommittee chairman that we have added a great deal of money to this budget, and I would urge the Senator to show up at 10 o’clock on June the 21st—come to the task force meeting—and see the kind of things we are looking at and what things are being suggested. We have made considerable progress already by getting the office of safe schools in the Department of Education at least funded. I think it’s time to gather information before we just throw money at it. Turn down this amendment.

Senator Emmons’ second statement, in which Senators Rogers and McCotter concurred, is as follows:

Well, I do realize that the Senator from the 14th District thinks I’m full of hot air. But I want him to know that we are trying to pull together a number of various places, and I doubt that there’s anybody on this floor today who could tell me what the state of Michigan is spending right now, what departments are putting in, or what is being spent on this issue. That is one of the things you need to find out before you just start throwing money around, and that’s what the task force intends to do.

We did send out a press release because that was the will of the members of the task force because we think if you don’t have a crisis plan in place right now, you better start thinking about it right now. We also gave him a number of suggestions should they not have a plan. One of the things we heard in the task force was that even plans that were written down on paper had never been tried, and nobody knew what would happen if actually something happened. I don’t call that hot air. I think that’s trying to give direction to principals and superintendents and school board members to make their schools safer come fall time. And I don’t call that hot air.

Senator McCotter’s statement is as follows:

I would just like to point out that at the present time, Frost Junior High School, within my home city of Livonia, a junior high school which I attended, has undertaken to start a conflict resolution program of its own volition and without state funding from this amendment. I think that the best approach to do is to let the task force do its work, find out what innovative solutions there are out there that have arisen from the local level, and try to address them in a separate piece of legislation. Although, I am gratified to hear that the distinguished colleague of the other party from Oakland County will not be issuing a press release on this because he would hate to politicize the issue.

Senator V. Smith offered the following amendment:

1. Amend page 65, following line 2, by inserting:

“(13) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT TO EXCEED \$1,250,000.00 IS ALLOCATED FOR 1999-2000 AND 2000-2001 TO DISTRICTS LOCATED IN CITIES WITH A POPULATION GREATER THAN 100,000 OR IN WHICH AT LEAST 75 % OF THE PUPILS IN MEMBERSHIP MET THE INCOME ELIGIBILITY CRITERIA FOR FREE OR REDUCED-COST BREAKFAST AND LUNCH IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED AS PRORATED AS DESCRIBED IN SUBSECTION (10), TO BE USED TO EXTEND THE TIME SCHOOLS OF THE DISTRICT ARE OPEN BY AN EXTRA 3 HOURS PER SCHOOL DAY. FUNDS UNDER THIS SUBSECTION SHALL BE DISTRIBUTED TO ELIGIBLE DISTRICTS ON A PRORATED BASIS, USING TOTAL NUMBER OF PUPILS PER DISTRICT AS THE BASIS FOR THE PRORATION. DURING THE EXTRA 3 HOURS PER SCHOOL DAY, A DISTRICT RECEIVING FUNDS UNDER THE SUBSECTION SHALL USE THE FUNDS FOR 1 OR MORE OF THE FOLLOWING NONATHLETIC PROGRAM AREAS:

(A) ACADEMIC GAMES.

(B) COMPUTER LITERACY PROGRAMS.

(C) PEER MEDIATION PROGRAMS.

(D) CONFLICT RESOLUTION PROGRAMS.

(E) TUTORIAL PROGRAMS.

(F) LITERACY PROGRAMS.” and adjusting the totals in section 11 accordingly and renumbering the remaining subsections.

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Byrum offered the following amendments:

1. Amend page 19, following line 17, by inserting:

“(2) IN ADDITION TO THE APPROPRIATIONS UNDER SUBSECTION (1), THERE IS APPROPRIATED FOR 1999-2000 AND 2000-2001 FROM THE STATE SCHOOL AID FUND THE AMOUNT NECESSARY TO FUND THE REQUIREMENTS OF SECTION 44.” and renumbering the remaining subsections.

2. Amend page 77, following line 25, by inserting:

“SEC. 44. FROM THE APPROPRIATION IN SECTION 11(2), THERE IS ALLOCATED TO EACH DISTRICT THAT REDUCED CLASS SIZE IN GRADES K TO 3 TO A RATIO OF NOT MORE THAN 17 PUPILS FOR EACH TEACHER THE AMOUNT NECESSARY TO FUND THAT REDUCTION IN CLASS SIZE. A DISTRICT THAT ACCEPTS FUNDING UNDER THIS SECTION SHALL ENSURE THAT THE PUPIL-TEACHER RATIO IN EACH CLASSROOM IN GRADES K TO 3 IN THE DISTRICT IS NOT MORE THAN 17 TO 1.” and adjusting the totals in section 11 accordingly.

The question being on the adoption of the amendments,

Senator Byrum requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 383

Yeas—17

Byrum
Cherry
DeBeaussaert
Dingell
Emerson

Goschka
Hammerstrom
Hart
Leland

Miller
Murphy
Peters
Rogers

Smith, A.
Smith, V.
Vaughn
Young

Nays—21

Bennett
Bullard
DeGrow
Dunaskiss
Emmons
Gast

Gougeon
Hoffman
Jaye
Johnson
Koivisto

McCotter
McManus
North
Schuette
Schwarz

Shugars
Sikkema
Steil
Stille
Van Regenmorter

Excused—0

Not Voting—0

In The Chair: President

Protest

Senator Shugars, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the amendments offered by Senator Byrum to House Bill No. 4498 and moved that the statement he made during the discussion of the amendments be printed as his reasons for voting “no.”

The motion prevailed.

Senator Shugars’ statement is as follows:

I will be voting against this amendment, and I’ll vote against all of the amendments to increase funding. I believe that if you truly believe in a young person, it’s important to get to them. I think the parents are the ones who need to get more involved with their children. We need to provide more tax breaks so that the parents can have more time to spend at home. We know that if a child has parents who are involved in their life, we can ensure that if they are involved in their life with education and love and nurturing, it doesn’t matter if they’re home schooled, private schooled or public schooled. That’s the most important part of the health care of that child—the learning of that child. So, instead of spending more money in schools, why don’t we go around and start helping parents?

The second point is I am going to vote against this because I know history is going to repeat itself, and at some point in time, the economy's going to slow down. When you start promising all this new money to public schools and they start all these new programs, what are you going to do when the tax revenues for the school aid goes down? Who is going to start cutting back the salaries and wages of the teachers and administrators?

So, I caution for two reasons not to vote for all this new money. We should start trying to save for the rainy day in the school aid and then also start helping parents so they can be better parents.

Senator DeBeaussaert offered the following amendment:

1. Amend page 159, line 14, by striking out all of enacting section 2 and inserting:

“Enacting section 2. Section 11e of the state school aid act of 1979, 1979 PA 94, MCL 388.1611e, is repealed.”.

The question being on the adoption of the amendment,

Senator DeBeaussaert requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 384

Yeas—16

Byrum	Emerson	Leland	Smith, A.
Cherry	Hart	Miller	Smith, V.
DeBeaussaert	Jaye	Murphy	Vaughn
Dingell	Koivisto	Peters	Young

Nays—22

Bennett	Goschka	McManus	Shugars
Bullard	Gougeon	North	Sikkema
DeGrow	Hammerstrom	Rogers	Steil
Dunaskiss	Hoffman	Schuetten	Stille
Emmons	Johnson	Schwarz	Van Regenmorter
Gast	McCotter		

Excused—0

Not Voting—0

In The Chair: President

Senator A. Smith offered the following amendment:

1. Amend page 19, line 9, after “fund.” by striking out the balance of the line through “FUND.” on line 15.

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Emerson offered the following amendment:

1. Amend page 66, following line 5, by inserting:

“SEC. 31B. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$50,275,700.00 EACH FISCAL YEAR FOR 1999-2000 AND 2000-2001 FOR MATCHING CLASS SIZE REDUCTION GRANTS. THIS FUNDING IS ALLOCATED TO DISTRICTS RECEIVING FEDERAL CLASS SIZE REDUCTION FUNDING THROUGH THE DEPARTMENT TO MATCH THE FEDERAL FUNDING ON AN EQUAL DOLLAR-FOR-DOLLAR BASIS, AND SHALL BE USED FOR THE SAME PURPOSES AS THE FEDERAL FUNDING.” and adjusting the totals in section 11 accordingly.

The amendment was not adopted, a majority of the members serving not voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 385**Yeas—36**

Bennett	Emmons	Leland	Schwarz
Bullard	Gast	McCotter	Sikkema
Byrum	Goschka	McManus	Smith, A.
Cherry	Gougeon	Miller	Smith, V.
DeBeaussaert	Hammerstrom	Murphy	Steil
DeGrow	Hart	North	Stille
Dingell	Hoffman	Peters	Van Regenmorter
Dunaskiss	Johnson	Rogers	Vaughn
Emerson	Koivisto	Schuette	Young

Nays—2

Jaye	Shugars
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Excused—0**Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Senator Stille offered to amend the title to read as follows:

A bill to amend 1979 PA 94, entitled “An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to prescribe penalties; and to repeal acts and parts of acts,” by amending sections 6, 11, 11f, 11g, 13, 17b, 18, 20, 20b, 24, 26a, 31a, 31c, 36, 36a, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91b, 94, 99, 101, 104a, 105, 107, 147, and 166b (MCL 388.1606, 388.1611, 388.1611f, 388.1611g, 388.1613, 388.1617b, 388.1618, 388.1620, 388.1620b, 388.1624, 388.1626a, 388.1631a, 388.1631c, 388.1636, 388.1636a, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1691b, 388.1694, 388.1699, 388.1701, 388.1704a, 388.1705, 388.1707, 388.1747, and 388.1766b), sections 6, 11, 11g, 17b, 20, 20b, 26a, 31a, 51a, 63, 81, and 105 as amended by 1998 PA 553, sections 11f, 24, 31c, 36, 36a, 41, 53a, 54, 56, 57, 61a, 62, 68, 74, 94, 99, 101, 107, 147, and 166b as amended by 1998 PA 339, sections 13 and 18 as amended by 1996 PA 300, section 67 as amended by 1997 PA 142, section 91b as added by 1995 PA 130, and section 104a as amended by 1997 PA 176, and by adding sections 20j, 20k, 31d, 32, 33, 34, and 105c; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

Protest

Senator Shugars, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 4498 and moved that the statement he made during the discussion of the amendments offered by Senator Byrum be printed as his reasons for voting “no.”

The motion prevailed.

Senator Shugars’ statement is as follows:

I will be voting against this amendment, and I’ll vote against all of the amendments to increase funding. I believe that if you truly believe in a young person, it’s important to get to them. I think the parents are the ones who need to get more involved with their children. We need to provide more tax breaks so that the parents can have more time to spend at home. We know that if a child has parents who are involved in their life, we can ensure that if they are involved in their life with education and love and nurturing, it doesn’t matter if they’re home schooled, private schooled or public schooled. That’s the most important part of the health care of that child—the learning of that child. So, instead of spending more money in schools, why don’t we go around and start helping parents?

The second point is I am going to vote against this because I know history is going to repeat itself, and at some point in time, the economy's going to slow down. When you start promising all this new money to public schools and they start all these new programs, what are you going to do when the tax revenues for the school aid goes down? Who is going to start cutting back the salaries and wages of the teachers and administrators?

So, I caution for two reasons not to vote for all this new money. We should start trying to save for the rainy day in the school aid and then also start helping parents so they can be better parents.

The following bill was read a third time:

House Bill No. 4065, entitled

A bill to make appropriations for the department of career development and certain other state purposes for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

The question being on the passage of the bill,

Senator Young offered the following amendments:

1. Amend page 4, following line 16, by inserting:

“Clean-up of orphan scrap tire accumulations..... \$ 4,000,000”.

2. Amend page 4, line 20, by striking “47,856,000” and inserting “51,856,000” and adjusting the subtotals, totals, and section 201 accordingly.

3. Amend page 29, following line 2, by inserting:

“Sec. 412. From the funds appropriated in part 1 for clean-up of orphan scrap tire accumulations, \$2,000,000.00 shall be dedicated for cities with populations greater than 100,000, and \$2,000,000.00 shall be dedicated for scrap tire accumulations where a fire has occurred that has required the response of a local fire department or other fire suppression service.”.

The question being on the adoption of the amendments,

The President pro tempore, Senator Schwarz, resumed the Chair.

Senator Young requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 386

Yeas—17

Byrum	Emmons	Leland	Smith, A.
Cherry	Goschka	Miller	Smith, V.
DeBeaussiaert	Hart	Murphy	Vaughn
Dingell	Hoffman	Peters	Young
Emerson			

Nays—20

Bennett	Gougeon	McCotter	Shugars
Bullard	Hammerstrom	North	Sikkema
DeGrow	Jaye	Rogers	Steil
Dunaskiss	Johnson	Schuette	Stille
Gast	Koivisto	Schwarz	Van Regenmorter

Excused—0

Not Voting—1

McManus

In The Chair: Schwarz

Senator Peters offered the following amendment:

1. Amend page 28, following line 21, by inserting:

“Sec. 410a. In promulgating rules for the clean water fund pursuant to Section 808 of 1994 PA 451, MCL 324.8808, the department shall specify in the rules that \$10,000,000.00 in grants shall be provided to assist communities in preventing or reducing storm water pollution causing water quality impairments in Great Lakes areas of concern.”.

The question being on the adoption of the amendment,

Senator V. Smith requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 387

Yeas—17

Byrum	Goschka	Leland	Smith, A.
Cherry	Hart	Miller	Smith, V.
DeBeaussaert	Jaye	Murphy	Vaughn
Dingell	Koivisto	Peters	Young
Emerson			

Nays—20

Bennett	Gast	McManus	Shugars
Bullard	Gougeon	North	Sikkema
DeGrow	Hammerstrom	Rogers	Steil
Dunaskiss	Hoffman	Schuette	Stille
Emmons	McCotter	Schwarz	Van Regenmorter

Excused—0

Not Voting—1

Johnson

In The Chair: Schwarz

Senator A. Smith offered the following amendments:

1. Amend page 5, following line 9, by inserting:

“Mercury and dioxin pollution prevention..... \$ 1,000,000”.

2. Amend page 5, line 14, by striking out “15,000,000” and inserting “16,000,000” and adjusting the subtotals, totals, and section 201 accordingly.

3. Amend page 29, following line 2, by inserting:

“Sec. 412. Funds appropriated in section 103(5) for mercury and dioxin pollution prevention shall fund voluntary, cooperative projects designed to protect the public health and environment as follows:

(a) Programs to assist local governments, nonprofit institutions, farmers, and businesses to reduce dioxin and mercury emissions through source separation of wastes prior to incineration, and substitution of alternative equipment and materials to reduce the amount of dioxin and mercury-generating materials in the waste stream.

(b) A revolving loan fund for energy efficiency audits designed to reduce electric demand, mercury emissions, and energy costs at public facilities, including, but not limited to, public school buildings and local government buildings.”.

The amendments were not adopted, a majority of the members serving not voting therefor.

Senator DeBeaussaert offered the following amendment:

1. Amend page 28, following line 21, by inserting:

“Sec. 410a. In promulgating rules for the clean water fund pursuant to section 808 of 1994 PA 451, MCL 324.8808, the department shall specify in the rules that funding for ambient water quality monitoring programs shall not exceed \$10,000,000.00. The department shall provide the legislature with a list of specific projects to be funded from the clean water fund as part of their request for appropriations from the fund.”.

The question being on the adoption of the amendment,

Senator V. Smith requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 388

Yeas—16

Byrum	Hart	Leland	Smith, A.
Cherry	Hoffman	Miller	Smith, V.
DeBeaussaert	Jaye	Murphy	Vaughn
Dingell	Koivisto	Peters	Young

Nays—20

Bennett	Gast	McCotter	Schwarz
Bullard	Goschka	McManus	Shugars
DeGrow	Gougeon	North	Sikkema
Dunaskiss	Hammerstrom	Rogers	Stille
Emmons	Johnson	Schuette	Van Regenmorter

Excused—0

Not Voting—2

Emerson	Steil
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In The Chair: Schwarz

Protest

Senator Bennett, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the amendment offered by Senator DeBeaussaert to House Bill No. 4065.

Senator Bennett's statement is as follows:

If we spent just the \$10 million, it would take us about two to three years of monitoring. If we did not continue that process, it would certainly be a waste of those monies.

An observation: The Republicans just seem not to be able to win in this state. Some years we're criticized for not spending enough money on environmental projects. Those years that we do have the money, we're criticized for spending it the wrong way. There certainly seems to be a political agenda here that we just can't win, but I'm proud to say that we are, in fact, spending for a cleaner environment. I ask a "no" vote on this so that we can get the process started.

Senator A. Smith offered the following amendments:

1. Amend page 4, line 15, by striking out "47,856,000" and inserting "49,856,000".
2. Amend page 4, line 20, by striking out "47,856,000" and inserting "49,856,000" and adjusting the subtotals, totals, and section 201 accordingly.
3. Amend page 29, following line 2, by inserting:

"Sec. 413. Of the amounts appropriated in part 1 for environmental cleanup and redevelopment program, \$2,000,000.00 is to pay for emergency response costs at sites posing imminent and substantial endangerment to the public health, safety, and welfare or to the environment that are not otherwise identified in this act."

The question being on the adoption of the amendments,

Senator V. Smith moved that Senator Emerson be temporarily excused from the balance of today's session. The motion prevailed.

Senator Emerson entered the Senate Chamber.

Senator V. Smith requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 389**Yeas—16**

Byrum	Emerson	Leland	Smith, A.
Cherry	Goschka	Miller	Smith, V.
DeBeaussaert	Hart	Murphy	Vaughn
Dingell	Koivisto	Peters	Young

Nays—20

Bennett	Gast	Johnson	Schwarz
Bullard	Gougeon	McCotter	Shugars
DeGrow	Hammerstrom	North	Sikkema
Dunaskiss	Hoffman	Rogers	Stille
Emmons	Jaye	Schuetz	Van Regenmorter

Excused—0**Not Voting—2**

McManus	Steil
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In The Chair: Schwarz

Senator Bennett offered the following amendments:

1. Amend page 4, following line 16, by striking out "Brownfield grants and loans program\$10,000,000" and inserting:

"Brownfield grants and loans program \$ 2,000,000".

2. Amend page 4, line 20, by striking out "\$59,856,000" and inserting "\$51,856,000" and adjusting the subtotals, totals, and section 201 accordingly.

The amendments were adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 390**Yeas—32**

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Murphy	Smith, A.
Cherry	Hammerstrom	North	Smith, V.
DeGrow	Hart	Peters	Stille
Dunaskiss	Hoffman	Rogers	Van Regenmorter
Emerson	Johnson	Schuetz	Vaughn
Emmons	Leland	Schwarz	Young

Nays—5

DeBeaussaert
Dingell

Jaye

Koivisto

Miller

Excused—0**Not Voting—1**

Steil

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

Protests

Senators DeBeaussaert, Jaye and Miller, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 4065.

Senator DeBeaussaert's statement, in which Senator Jaye concurred, is as follows:

I regret having to vote "no" on the previous bill. Less than a year ago when we came together to support the passage of the Clean Michigan Initiative, we promised the voters a great deal of activity in a number of areas. Some of that is accomplished in this bill, but we also promised activity related to water clean-up projects. I know there are not any dollars specifically appropriated in this bill from the clean water fund, and that is a concern. People thought there might be quicker action to address some of the water problems we are facing in this state.

My greater concern is that we failed to take the opportunity to give some direction on how those dollars would be spent. In allocating, it has been suggested by the department that up to half of those \$90 million be used for an ongoing operating of activity by the department, which leaves around \$45 million for actual clean-up activities. We know where many of these problems exist. We do need to do long-term monitoring that, I think, needs to be the responsibility of the state through the general fund, but let's take advantage of the existing activities that we know of—the monitoring that has occurred and the identification of existing problem areas—and put some of those dollars to use more immediately. It seems to me that delaying and continuing to monitor after 15 years of having a great list of problem areas to be corrected, and not having the resources to do the corrections, will be a great disservice to the people of Michigan. That's why I voted "no" at this point. I hope that as we move forward, this process will improve, and we will begin more directly addressing the issues as we promised, as we brought this issue before the public.

Senator Miller's statement is as follows:

Mr. President, I supported this bill last fall very vigorously and encouraged many, many people in my district and any voters I came across to support this Clean Michigan Initiative. It passed. Here we are on one of the first allotments of the dollars, and I voted "no" primarily because the constituents whom I represent here received very, very—I think in my senatorial district coming out of Macomb County, we received nothing for the size that it is and the contributions that we make to this state. For all the tens of thousands of hardworking families to show the voters who put their faith in keeping Michigan clean and advancing to the 21st Century, we received absolutely peanuts, Mr. President, and I think that it's a real, real void for the voters of Michigan. I think it's a real slap in the face to all the Macomb County citizens who voted for that bill and received absolutely pennies. I hope the next time around when the politicians come to Macomb County, they'll have some better answers than 30-second blips.

Senator Rogers moved that Senator Steil be temporarily excused from the balance of today's session.
The motion prevailed.

Senator Steil entered the Senate Chamber.

The following bill was read a third time:

House Bill No. 4586, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 4k (MCL 205.94k), as amended by 1996 PA 477.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 391

Yeas—37

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuetten	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Jaye

Excused—0

Not Voting—0

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to provide for the levy, assessment and collection of a specific excise tax on the storage, use or consumption in this state of tangible personal property and certain services; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act,".

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 4744, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending sections 3, 4, and 4h (MCL 205.93, 205.94, and 205.94h), section 3 as amended by 1995 PA 67, section 4 as amended by 1998 PA 491, and section 4h as added by 1986 PA 13, and by adding sections 4o, 4p, 4q, 4r, 4s, 8, and 9a.

The question being on the passage of the bill,

The Assistant President pro tempore, Senator Hoffman, assumed the Chair.

Senator Shugars offered the following amendments:

1. Amend page 28, line 3, after "(1)" by inserting "FOR TAXES LEVIED AFTER JUNE 30, 1999,".
2. Amend page 29, line 23, by striking out all of subsection (4).
3. Amend page 30, following line 16, by inserting:

"SEC. 4V. (1) FOR TAXES LEVIED AFTER DECEMBER 31, 1990 AND BEFORE JULY 1, 1999, THE TAX LEVIED UNDER THIS ACT DOES NOT APPLY TO A CLAIMED EXEMPTION OF TANGIBLE PERSONAL PROPERTY USED IN THE CONSTRUCTION, ALTERATION, REPAIR, OR IMPROVEMENT OF THE REAL

ESTATE OR IS AFFIXED TO AND MADE A STRUCTURAL PART OF A BUILDING OF A NONPROFIT HOSPITAL PROVIDED THE FOLLOWING CRITERIA HAVE BEEN MET:

(A) A NONPROFIT HOSPITAL IS AN ENTITY DESCRIBED IN SECTION 4S(3)(A)(i).

(B) A BINDING CONTRACT HAD BEEN ENTERED INTO FOR THE CONSTRUCTION, ALTERATION, REPAIR, OR IMPROVEMENT OF THE REAL ESTATE OR THE AFFIXATION TO THE BUILDING BEFORE JULY 1, 1999.

(C) THE CLAIMED EXEMPTION WAS MADE IN GOOD FAITH.

(2) THE PROVISIONS OF THIS SECTION SHALL NOT BE APPLIED TO AFFECT ANY FINAL DECISION OF A COURT.

(3) A CLAIM FOR REFUND FOR AN EXEMPTION UNDER THIS SECTION SHALL BE FILED NOT LATER THAN JULY 15, 1999. THE APPROVED REFUNDS SHALL BE PAID WITHOUT INTEREST.”.

The amendments were adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 392

Yeas—25

Bennett	Gougeon	Leland	Schwarz
Bullard	Hammerstrom	McCotter	Shugars
DeGrow	Hoffman	McManus	Sikkema
Dunaskiss	Jaye	North	Steil
Emmons	Johnson	Rogers	Stille
Gast	Koivisto	Schuette	Van Regenmorter
Goschka			

Nays—13

Byrum	Emerson	Murphy	Smith, V.
Cherry	Hart	Peters	Vaughn
DeBeaussaert	Miller	Smith, A.	Young
Dingell			

Excused—0

Not Voting—0

In The Chair: Hoffman

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Senator Shugars offered to amend the title to read as follows:

A bill to amend 1937 PA 94, entitled “An act to provide for the levy, assessment and collection of a specific excise tax on the storage, use or consumption in this state of tangible personal property and certain services; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act,” by amending sections 3, 4, and 4h (MCL 205.93, 205.94, and 205.94h), section 3 as amended by 1995 PA 67, section 4 as amended by 1998 PA 491, and section 4h as added by 1986 PA 13, and by adding sections 4o, 4p, 4q, 4r, 4s, 4v, 8, and 9a.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

The following bill was read a third time:

House Bill No. 4745, entitled

A bill to amend 1975 PA 228, entitled “Single business tax act,” by amending sections 3, 4, 5, 23, 23b, 31, 45a, 49, 71, 77, and 78 (MCL 208.3, 208.4, 208.5, 208.23, 208.23b, 208.31, 208.45a, 208.49, 208.71, 208.77, and 208.78), section 4 as amended by 1995 PA 285, section 5 as amended by 1987 PA 253, sections 23 and 23b as amended by 1998 PA 504, section 31 as amended by 1994 PA 247, section 45a as added by 1995 PA 282, and section 71 as amended by 1984 PA 281, and by adding sections 19, 35a, and 54; and to repeal acts and parts of acts.

The question being on the passage of the bill,
Senator Jaye offered the following amendment:

1. Amend page 4, following line 18, by inserting:

“(F) FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 1998, PAYMENTS UNDER HEALTH AND WELFARE AND NONINSURED BENEFIT PLANS AND PAYMENTS OF FEES FOR THE ADMINISTRATION OF HEALTH AND WELFARE AND NONINSURED BENEFIT PLANS.”.

The question being on the adoption of the amendment,

Senator Jaye requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 393

Yeas—19

Byrum	Emerson	Murphy	Stille
Cherry	Jaye	Peters	Van Regenmorter
DeBeaussaert	Koivisto	Schwarz	Vaughn
Dingell	Leland	Smith, A.	Young
Dunaskiss	Miller	Smith, V.	

Nays—17

Bennett	Goschka	Johnson	Rogers
Bullard	Gougeon	McCotter	Schuette
DeGrow	Hammerstrom	McManus	Shugars
Emmons	Hoffman	North	Sikkema
Gast			

Excused—0

Not Voting—2

Hart	Steil
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In The Chair: Hoffman

Protests

Senators Shugars and Gougeon, under their constitutional right of protest (Art. 4, Sec. 18), protested against the of adoption of the amendment offered by Senator Jaye to House Bill No. 4745.

Senator Shugars' statement, in which Senator Gougeon concurred, is as follows:

I supported and co-sponsored a bill to eliminate the add-back of the health care costs. The negotiations that occurred with the House, the Senate, and the Governor to repeal the single business tax over the next 23 years and to lower it each year got the support of all three legs of the stool for the ultimate outcome of the bill. So, I support what the chair is trying to accomplish with this. We are going to finally have the single business tax eliminated, though it will be a few years out in the future. It's worth the compromise of losing the health care benefit add-back.

Senator Jaye offered the following amendment:

1. Amend page 30, following line 23, by inserting:

“Sec. 73. (1) An annual or final return shall be filed with the department in the form and content prescribed by the department by the last day of the fourth month after the end of the taxpayer's tax year. Any final liability shall be remitted with this return. A person whose apportioned or allocated gross receipts plus the adjustments provided in section 23b(a), ~~(b), and (c)~~ TO (G) are less than the following amount for the appropriate year need not file a return or pay the tax provided under this act:

(a) \$40,000.00 for tax years beginning before January 1, 1991.

(b) \$60,000.00 for tax years beginning after December 31, 1990 and before January 1, 1992.

- (c) \$100,000.00 for tax years beginning after December 31, 1991 and before January 1, 1994.
- (d) \$137,500.00 for tax years beginning after December 31, 1993 and before January 1, 1995.
- (e) \$250,000.00 for tax years beginning after December 31, 1994 AND BEFORE JANUARY 1, 1999.
- (F) \$500,000.00 FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 1998.

(2) For a person whose apportioned or allocated gross receipts plus the adjustments provided in section 23b(a), ~~(b)~~, and ~~(c)~~, TO (G) are for a tax year less than 12 months, the amount in subsection (1) shall be multiplied by a fraction, the numerator of which is the number of months in the tax year and the denominator of which is 12.

(3) The commissioner upon application of the taxpayer and for good cause shown may extend the date for filing the annual return. Interest at the rate of 9% per annum shall be added to the amount of the tax unpaid for the period of the extension. The commissioner shall require a tentative return and payment of an estimated tax.

(4) If a taxpayer is granted an extension of time within which to file the federal income tax return for any taxable year, the filing of a copy of the request for extension together with a tentative return and payment of an estimated tax with the commissioner by the due date provided in subsection (1) shall automatically extend the due date for the filing of a final return under this act for an equivalent period plus 60 days. Interest at the rate of 9% per annum shall be added to the amount of the tax unpaid for the period of the extension.

(5) For tax years that end after July 6, 1994, an affiliated group as defined in this act, a controlled group of corporations as defined in section 1563 of the internal revenue code and further described in 26 C.F.R. 1.414(b)-1 and 1.414(c)-1 to 1.414(c)-5, or an entity under common control as defined in the internal revenue code shall consolidate the gross receipts of the members of the affiliated group, member corporations of the controlled group, or entities under common control that have apportioned or allocated gross receipts, plus the adjustments provided in section 23b(a), ~~(b)~~, and ~~(c)~~ TO (G) of \$100,000.00 or more to determine if the group or entity shall pay a tax or file a return as provided under subsection (1). An individual member of an affiliated group or controlled group of corporations or an entity under common control is not required to file a return or pay the tax under this act if that member or entity has apportioned or allocated gross receipts, plus the adjustments provided in section 23b(a), ~~(b)~~, and ~~(c)~~ TO (G) of less than \$100,000.00.”

The question being on the adoption of the amendment,

Senator Jaye requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 394

Yeas—18

Byrum	Emerson	Leland	Smith, A.
Cherry	Goschka	Miller	Smith, V.
DeBeaussaert	Hart	Murphy	Vaughn
Dingell	Jaye	Peters	Young
Dunaskiss	Koivisto		

Nays—20

Bennett	Gougeon	McManus	Shugars
Bullard	Hammerstrom	North	Sikkema
DeGrow	Hoffman	Rogers	Steil
Emmons	Johnson	Schuette	Stille
Gast	McCotter	Schwarz	Van Regenmorter

Excused—0

Not Voting—0

In The Chair: Hoffman

Senator V. Smith moved to reconsider the vote by which the first amendment offered by Senator Jaye was not adopted. On which motion Senator Cherry requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The motion did not prevail, a majority of the members not voting therefor, as follows:

Roll Call No. 395**Yeas—16**

Byrum
Cherry
DeBeaussaert
Dingell

Emerson
Hart
Jaye
Koivisto

Leland
Miller
Murphy
Peters

Smith, A.
Smith, V.
Vaughn
Young

Nays—22

Bennett
Bullard
DeGrow
Dunaskiss
Emmons
Gast

Goschka
Gougeon
Hammerstrom
Hoffman
Johnson
McCotter

McManus
North
Rogers
Schuette
Schwarz

Shugars
Sikkema
Steil
Stille
Van Regenmorter

Excused—0**Not Voting—0**

In The Chair: Hoffman

Senator Gast offered the following amendment:

1. Amend page 18, line 6, after “IF” by striking out the balance of the line through “\$250,000,000.00” on line 9 and inserting “IT IS REPORTED IN THE GENERAL GOVERNMENT BUDGET FOR A STATE FISCAL YEAR THAT THERE IS A BALANCE OF MORE THAN \$500,000,000.00”.

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Schwarz offered the following amendment:

1. Amend page 5, line 9, by striking out all of section 19.

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Emmons offered the following amendments:

1. Amend page 19, line 17, after “STATE” by inserting “IN A TAX YEAR”.

2. Amend page 21, line 19, after “CENTAGE” by inserting “NOT TO EXCEED 100%”.

3. Amend page 21, line 20, after the first “THE” by striking out the balance of the line and inserting “PERCENTAGE DETERMINED UNDER SUBSECTION (2)”.

4. Amend page 21, line 25, by striking out “FOR” and inserting “Except as provided in subsection (2) and for”.

The amendments were adopted, a majority of the members serving voting therefor.

Senator Schwarz moved to reconsider the vote by which the amendment he offered was not adopted.

On which motion Senator Schwarz requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The motion prevailed, a majority of the members voting therefor, as follows:

Roll Call No. 396**Yeas—20**

Byrum
Cherry
DeBeaussaert
Dingell
Emerson

Gast
Hart
Jaye
Koivisto
Leland

Miller
Murphy
North
Peters
Schuette

Schwarz
Smith, A.
Smith, V.
Vaughn
Young

Nays—18

Bennett	Goschka	McCotter	Sikkema
Bullard	Gougeon	McManus	Steil
DeGrow	Hammerstrom	Rogers	Stille
Dunaskiss	Hoffman	Shugars	Van Regenmorter
Emmons	Johnson		

Excused—0**Not Voting—0**

In The Chair: Hoffman

The question being on the adoption of the amendment offered by Senator Schwarz, Senator Schwarz requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 397**Yeas—18**

Cherry	Hart	Miller	Schwarz
DeBeaussaert	Hoffman	Murphy	Smith, A.
Dingell	Jaye	North	Smith, V.
Emerson	Koivisto	Peters	Vaughn
Gast	Leland		

Nays—20

Bennett	Emmons	McCotter	Sikkema
Bullard	Goschka	McManus	Steil
Byrum	Gougeon	Rogers	Stille
DeGrow	Hammerstrom	Schuette	Van Regenmorter
Dunaskiss	Johnson	Shugars	Young

Excused—0**Not Voting—0**

In The Chair: Hoffman

Senator Peters offered the following substitute:

Substitute (S-5).

The question being on the adoption of the substitute,

Senator V. Smith requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The President pro tempore, Senator Schwarz, resumed the Chair.

The substitute was not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 398**Yeas—18**

Byrum
Cherry
DeBeaussiaert
Dingell
Emerson

Goschka
Hammerstrom
Hart
Jaye
Koivisto

Leland
Miller
Murphy
Peters

Smith, A.
Smith, V.
Vaughn
Young

Nays—20

Bennett
Bullard
DeGrow
Dunaskiss
Emmons

Gast
Gougeon
Hoffman
Johnson
McCotter

McManus
North
Rogers
Schuette
Schwarz

Shugars
Sikkema
Steil
Stille
Van Regenmorter

Excused—0**Not Voting—0**

In The Chair: Schwarz

Protest

Senator Shugars, under his constitutional right of protest (Art. 4, Sec. 18), protested against the of adoption of the substitute offered by Senator Peters to House Bill No. 4745.

Senator Shugars' statement is as follows:

The individuals who put this amendment up and voted for it are truly disingenuous in their intent to cut taxes.

Just earlier today, we increased the budget by millions of dollars. We had amendments after amendments on the school aid that would increase more spending. Then on the other side, we are going to decrease taxes, and I can't reconcile the two. We all know that the general fund does put money into the school aid fund. So even though the single business tax goes in the general fund, the monies that go into the school fund via the general fund are still an increase. So I think it is totally disingenuous to increase spending and decrease taxes with these types of proposals.

Senator Peters offered the following amendments:

1. Amend page 5, following line 8, by inserting:

"Sec. 9. (1) "Tax base" means business income, before apportionment or allocation as provided in chapter 3, even if zero or negative, subject to the adjustments in ~~subsections (2) to (9)~~ THIS SECTION.

(2) Add gross interest income and dividends derived from obligations or securities of states other than Michigan, in the same amount that was excluded from federal taxable income, less the related portion of expenses not deducted in computing federal taxable income because of sections 265 and 291 of the internal revenue code.

(3) Add all taxes on or measured by net income and the tax imposed by this act to the extent the taxes were deducted in arriving at federal taxable income.

(4) Add the following, to the extent deducted in arriving at federal taxable income:

(a) A carryback or carryover of a net operating loss.

(b) A carryback or carryover of a capital loss.

(c) A deduction for depreciation, amortization, or immediate or accelerated write-off related to the cost of tangible assets.

(d) A dividend paid or accrued except a dividend that represents a reduction of premiums to policyholders of insurance companies.

(e) A deduction or exclusion by a taxpayer due to a classification as, or the payment of commissions or other fees to, a domestic international sales corporation or any like special classification the purpose of which is to reduce or postpone the federal income tax liability. This subdivision does not apply to the special provisions of sections 805, 809, and 815(c)(2)(A) of the internal revenue code.

(f) All interest including amounts paid, credited, or reserved by insurance companies as amounts necessary to fulfill the policy and other contract liability requirements of sections 805 and 809 of the internal revenue code. Interest does not include payments or credits made to or on behalf of a taxpayer by a manufacturer, distributor, or supplier of inventory to defray any part of the taxpayer's floor plan interest, if these payments are used by the taxpayer to reduce interest expense in determining federal taxable income. For purposes of this section, "floor plan interest" means interest paid that finances any part of the taxpayer's purchase of automobile inventory from a manufacturer, distributor, or supplier. However, amounts attributable to any invoiced items used to provide more favorable floor plan assistance to a taxpayer than to a person who is not a taxpayer is considered interest paid by a manufacturer, distributor, or supplier.

(g) All royalties except for the following:

(i) On and after July 1, 1985, oil and gas royalties that are excluded in the depletion deduction calculation under the internal revenue code.

(ii) Cable television franchise fees described in section 622 of part III of title VI of the communications act of 1934, 47 U.S.C. 542.

(iii) Except as provided in subparagraph (iv), for the tax years 1986 and after 1986, a franchise fee as defined by section 3 of the franchise investment law, 1974 PA 269, MCL 445.1503, in the following amounts:

(A) For the tax years 1986, 1987, and 1988, 20% of the franchise fee.

(B) For the tax years 1989 and 1990, 50% of the franchise fee.

(C) For the tax years 1991 and after 1991, 100% of the franchise fee.

(iv) For the tax years ending before 1991, this subdivision does not apply to a fee for services paid by a franchisee that, with respect to a specific provision of a franchise agreement, a court of competent jurisdiction, before June 5, 1985, has determined is not a royalty payment under this act.

(v) Film rental or royalty payments paid by a theater owner to a film distributor, a film producer, or a film distributor and producer.

(vi) Royalties, fees, charges, or other payments or consideration paid or incurred by radio or television broadcasters for program matter or signals.

(vii) Royalties, fees, charges, or other payments or consideration paid by a film distributor for copyrighted motion picture films, program matter, or signals to a film producer.

(viii) For tax years that begin after December 31, 1993, royalties paid by a licensee of application computer software, operating system software, or system software pursuant to a license agreement. As used in this subparagraph and subsection (7)(c)(vii):

(A) "Application computer software" means a set of statements or instructions that when incorporated in a machine usable medium is capable of causing a machine or device having information processing capabilities to indicate, perform, or achieve a particular business function, task, or result for the nontechnical end user. Application computer software includes any other computer software that does not qualify under sub-subparagraph ~~(B)~~ (B) or ~~(C)~~ (C).

(B) "Operating system software" means a set of statements or instructions that when incorporated into a machine or device having information processing capabilities is an interface between the computer hardware and the application computer software or system software.

(C) "System software" means a set of statements or instructions that interacts with operating system software that is developed, licensed, and intended for the exclusive use of data processing professionals to build, test, manage, or maintain application computer software for which a license agreement is signed by the licensor and licensee at the time of the transfer of the software and that is not transferred to the licensee as part of or in conjunction with a sale or lease of computer hardware.

(h) A deduction for rent attributable to a lease back that continues in effect under the former provisions of section 168(f)(8) of the internal revenue code of 1954 as that section provided immediately before the tax reform act of 1986, Public Law 99-514, became effective or to a lease back of property to which the amendments made by the tax reform act of 1986 do not apply as provided in section 204 of the tax reform act of 1986.

(5) Add compensation.

(6) Add a capital gain related to business activity of individuals to the extent excluded in arriving at federal taxable income.

(7) Deduct the following, to the extent included in arriving at federal taxable income:

(a) A dividend received or considered received, including the foreign dividend gross-up provided for in the internal revenue code.

(b) All interest except amounts paid, credited, or reserved by an insurance company as amounts necessary to fulfill the policy and other contract liability requirements of sections 805 and 809 of the internal revenue code.

(c) All royalties except for the following:

(i) On and after July 1, 1985, oil and gas royalties that are included in the depletion deduction calculation under the internal revenue code.

(ii) Except as provided in subparagraph (iii), for the 1986 tax year and after the 1986 tax year, a franchise fee as defined in section 3 of the franchise investment law, 1974 PA 269, MCL 445.1503, in the following amounts:

(A) For the tax years 1986, 1987, and 1988, 20% of the franchise fee.

(B) For the tax years 1989 and 1990, 50% of the franchise fee.

(C) For the tax years 1991 and after 1991, 100% of the franchise fee.

(iii) For the tax years ending before 1991, this subdivision does not apply to a fee for services paid by a franchisee that, with respect to a specific provision of a franchise agreement, a court of competent jurisdiction, before June 5, 1985, has determined is not a royalty payment under this act.

(iv) Film rental or royalty payments paid by a theater owner to a film distributor, a film producer, or a film distributor and producer.

(v) Royalties, fees, charges, or other payments or consideration paid or incurred by radio or television broadcasters for program matter or signals.

(vi) Royalties, fees, charges, or other payments or consideration paid by a film distributor for copyrighted motion picture films, program matter, or signals to a film producer.

(vii) For tax years that begin after December 31, 1997, royalties received by a licensor, distributor, developer, marketer, or copyright holder of application computer software or operating system software pursuant to a license agreement. System software is not included within the exception under this subparagraph.

(d) Rent attributable to a lease back that continues in effect under the former provisions of section 168(f)(8) of the internal revenue code of 1954 as that section provided immediately before the tax reform act of 1986, Public Law 99-514, became effective or to a lease back of property to which the amendments made by the tax reform act of 1986 do not apply as provided in section 204 of the tax reform act of 1986.

(8) Deduct a capital loss not deducted in arriving at federal taxable income in the year the loss occurred.

(9) To the extent included in federal taxable income, add the loss or subtract the gain from the tax base that is attributable to another entity whose business activities are taxable under this act or would be taxable under this act if the business activities were in this state.

(10) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 1998, A TAXPAYER WITH GROSS RECEIPTS AS FOLLOWS MAY DEDUCT THE SPECIFIED AMOUNTS:

(A) DEDUCT \$400,000.00 WITH GROSS RECEIPTS OF \$1,500,000.00 OR LESS.

(B) DEDUCT \$300,000.00 WITH GROSS RECEIPTS OF MORE THAN \$1,500,000.00 BUT LESS THAN \$2,000,000.00.

(C) DEDUCT \$200,000.00 WITH GROSS RECEIPTS OF \$2,000,000.00 OR MORE BUT LESS THAN \$2,500,000.00.”

2. Amend page 30, following line 23, by inserting:

“Sec. 73. (1) An annual or final return shall be filed with the department in the form and content prescribed by the department by the last day of the fourth month after the end of the taxpayer’s tax year. Any final liability shall be remitted with this return. A person whose apportioned or allocated gross receipts plus the adjustments provided in section 23b(a) ~~-(b), and (c)~~ TO (G) are less than the following amount for the appropriate year need not file a return or pay the tax provided under this act:

(a) \$40,000.00 for tax years beginning before January 1, 1991.

(b) \$60,000.00 for tax years beginning after December 31, 1990 and before January 1, 1992.

(c) \$100,000.00 for tax years beginning after December 31, 1991 and before January 1, 1994.

(d) \$137,500.00 for tax years beginning after December 31, 1993 and before January 1, 1995.

(e) \$250,000.00 for tax years beginning after December 31, 1994 AND BEFORE JANUARY 1, 1999.

(F) \$1,000,000.00 FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 1998.

(2) For a person whose apportioned or allocated gross receipts plus the adjustments provided in section 23b(a) ~~-(b), and (c)~~, TO (G) are for a tax year less than 12 months, the amount in subsection (1) shall be multiplied by a fraction, the numerator of which is the number of months in the tax year and the denominator of which is 12.

(3) The commissioner upon application of the taxpayer and for good cause shown may extend the date for filing the annual return. Interest at the rate of 9% per annum shall be added to the amount of the tax unpaid for the period of the extension. The commissioner shall require a tentative return and payment of an estimated tax.

(4) If a taxpayer is granted an extension of time within which to file the federal income tax return for any taxable year, the filing of a copy of the request for extension together with a tentative return and payment of an estimated tax with the commissioner by the due date provided in subsection (1) shall automatically extend the due date for the filing of a final return under this act for an equivalent period plus 60 days. Interest at the rate of 9% per annum shall be added to the amount of the tax unpaid for the period of the extension.

(5) For tax years that end after July 6, 1994, an affiliated group as defined in this act, a controlled group of corporations as defined in section 1563 of the internal revenue code and further described in 26 C.F.R. 1.414(b)-1 and 1.414(c)-1 to 1.414(c)-5, or an entity under common control as defined in the internal revenue code shall consolidate the gross receipts of the members of the affiliated group, member corporations of the controlled group, or entities under common control that have apportioned or allocated gross receipts, plus the adjustments provided in section 23b(a) ~~-(b), and (c)~~ TO (G), of \$100,000.00 or more to determine if the group or entity shall pay a tax or file a return as provided under subsection (1). An individual member of an affiliated group or controlled group of corporations or an entity under common control is not required to file a return or pay the tax under this act if that member or entity has apportioned or allocated gross receipts, plus the adjustments provided in section 23b(a) ~~-(b), and (c)~~, TO (G) of less than \$100,000.00.”

The question being on the adoption of the amendments,
 Senator V. Smith requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 399**Yeas—17**

Byrum	Goschka	Leland	Smith, A.
Cherry	Hart	Miller	Smith, V.
DeBeaussiaert	Jaye	Murphy	Vaughn
Dingell	Koivisto	Peters	Young
Emerson			

Nays—20

Bennett	Gast	McManus	Shugars
Bullard	Hammerstrom	North	Sikkema
DeGrow	Hoffman	Rogers	Steil
Dunaskiss	Johnson	Schuetz	Stille
Emmons	McCotter	Schwarz	Van Regenmorter

Excused—0**Not Voting—1**

Gougeon

In The Chair: Schwarz

Senator Dingell offered the following amendments:

1. Amend page 18, line 6, after “THE” by striking out the balance of the line through “THAT” on line 12 and inserting “ANNUAL REPORT OF THE STATE TREASURER FOR A STATE FISCAL YEAR REPORTS AN INCREASE IN GENERAL AND NONGENERAL OBLIGATION DEBT OUTSTANDING OF NOT MORE THAN \$500,000,000.00 OVER THE GENERAL AND NONGENERAL OBLIGATION DEBT OUTSTANDING FOR THE IMMEDIATELY PRECEDING”.

2. Amend page 18, line 14, after “YEAR” by striking out “FOR” and inserting “IN”.

The amendments were not adopted, a majority of the members serving not voting therefor.

Senator Hammerstrom offered the following amendment:

1. Amend page 6, line 9, after “PERFORMANCE.” by striking out the balance of the subdivision.

The amendment was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 400**Yeas—25**

Bennett	Goschka	McCotter	Shugars
Bullard	Gougeon	McManus	Sikkema
Byrum	Hammerstrom	North	Steil
DeGrow	Hoffman	Rogers	Stille
Dunaskiss	Jaye	Schuetz	Van Regenmorter
Emmons	Johnson	Schwarz	Young
Gast			

Nays—13

Cherry
DeBeaussiaert
Dingell
Emerson

Hart
Koivisto
Leland

Miller
Murphy
Peters

Smith, A.
Smith, V.
Vaughn

Excused—0**Not Voting—0**

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation.”.

The Senate agreed to the full title.

Protests

Senators Cherry, V. Smith, A. Smith and Miller, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 4745.

Senators Cherry, V. Smith and Miller moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator Cherry’s statement, in which Senator A. Smith concurred, is as follows:

I rise to indicate that it’s my intention to vote “no” on this bill. I do it with some regret because I understand the single business a tax is tax that is in need of major reform. A number of amendments that were offered today by a number of members would have, I thought, provided significant reform. It would have, in fact, brought immediate, significant tax relief to a number of small businesses.

I’m not opposed to reform. I believe it’s important, but I’m somehow struck by how we’re arguing that we’re going to do a number of small businesses a favor by slowly reducing this tax over 23 years when the need for relief is immediate.

Then there’s the additional question, Mr. President, because, ultimately, what the good Senator from the 23rd District would like to argue is that even though it’s a 23-year phase out, ultimately, the act that we’re taking today is elimination of Michigan’s business tax. Now that’s what we’re doing—and we are; she’s correct. We’re eliminating that tax in this context: In this economy, what we’ve seen is that individual income growth over the last decade has lagged income growth nationally for individuals. Michigan is behind the curve when it comes to individual income growth. Michigan citizens, as individuals, have not participated in this economic recovery to the extent that citizens of other states have participated.

You contrast that with businesses. While individuals have seen their personal income growth lag behind others, in Michigan we find our businesses are ahead of the curve in the growth of their profits and their business activity. They are, in fact, benefitting more than businesses of other states in this national economic recovery.

That’s had an effect in this state. For instance, in terms of state taxes paid, in 1993, businesses in this state paid 37.2 percent of state taxes. Individuals paid 62.8 percent. In 1998, business share dropped to 32.7 percent—a 5 percent drop in share. Individuals went up to 67.3—a 5 percent increase in the share of taxes. So here we have a picture of individual personal income growth lagging in this state, and business profits increasing at a rate more rapid than what’s occurring nationally, but the tax shift has been the exact opposite. Individuals are paying a bigger share of the tax.

Now under this bill as it's proposed, we will see that shift continue even more dramatically because the business share of taxes—property taxes, the sales taxes, the other fees and taxes they pay to state government—means that 25.4 percent of state revenue will be the result of business taxes compared to the 32.7 percent that's the case now—this year. In one year under this bill, you will see an immediate drop of about 8 percent in their share, while individual share of state revenue will grow to 74.6 percent. So in less than a decade, there will be a 12 percent increase in the share of the state revenues that individuals pay. That's while their personal income growth is lagging nationally. It seems to me that what we ought to be doing is providing a tax relief mix that treats individuals at least as fairly as we're prepared to treat businesses.

I thought some of the benefits of some of the amendments we had on this floor provided, first of all, immediate relief for businesses that needed it but did not send the message to the Michigan individual taxpayer whose income is lagging and their tax burden is increasing—while they are facing that state of affairs, we're prepared to eliminate Michigan's business tax.

Not even when we were facing difficult times back in the '70s and the Governor of this state, William Milliken, Republican, felt like he needed to stimulate the business community in this state with a tax change. When he eliminated seven stinking business taxes, he created the single business tax. He, at least, did a revenue replacement because he knew that total elimination without replacement was not fair to the individual because, in fact, businesses use services in the state. Businesses have a social responsibility. There's much that we do in the way of our institutional services that benefit businesses from education to transportation to health care. They are just as much a partner in this state as are our citizens. That's been true in terms of taxes and in terms of service benefits. But now we're going to change that. We're going to eliminate Michigan's business tax.

Now the good Senator from the 23rd District would suggest that businesses don't pay taxes. They simply pass on the cost. Well, how many of us believe that when we pass this tax, and it's signed into law, we're going to see consumer prices drop? Do you believe that? Is that what the good Senator is suggesting that the Michigan individual is going to benefit from this tax change because businesses are going to reduce their prices? That simply business taxes are mirrored in what businesses charge consumers? If that's the case, I will wait and enjoy my consumer benefit as my prices go down, but I'm not going to hold my breath because I have never seen a price go down when a business tax cut has been made.

I think, Mr. President, that what we should be striving to do is provide business tax relief, but do it in a context that also provides individual tax relief and recognizes that there must be equity. In fact, individuals have not participated in this state in the economic recovery as individuals have in some states or as businesses have participated in this state. Our job is to establish some equity and to understand that both individuals and businesses are partners. Both share in state services, and both have state liability when it comes to supporting those services.

Simply to eliminate the tax, I don't believe is fair. I can support reform, but I can't support just simple out and out elimination and telling our citizens now that the responsibility for state government services is on their shoulders, and businesses are no longer going to share their commitment when it comes time to pay the piper. So, Mr. President, I personally intend to vote "no" on this bill.

Senator V. Smith's statement, in which Senator A. Smith concurred, is as follows:

I wanted to give all my colleagues on the other side of the aisle an opportunity to say their piece, but I see that they want to have the last word on this, so I guess that's fine.

In 1975 and 1976, Michigan had seven specific taxes for business: financial institution tax, corporate income tax, a corporate franchise tax, an intangible tax on business, a savings loan, privilege tax, insurance privilege tax, and inventory property tax. Those total revenues in that fiscal year would've produced \$827 million if they had been costed out in fiscal year 1993 and 1994. And if they had been compared and an inflation factor put on them, they would have been \$2,767,000,000. Right now the tax paid by the SBT would have already provided a tax cut of some \$120 million.

I've been here 23 years and I've heard that businesses don't pay taxes; they just pass them on. Well, I'm not so sure. I think certain businesses aren't able to pass on their tax because it would make them anticompetitive. They're forced to eat it. They're forced to build it into their base. But, more importantly, and I think it was said by my leader, was that there needs to be some participation from the business community in providing ongoing services of state government. And, if there is none, then all of the costs, all of the infrastructure costs, and all of the costs associated with doing business fall entirely on the citizens of this state who are continuing to pay taxes.

It would be nice if we could have governments without cost where they didn't cost anything and we didn't have to tax anybody in order to do it. But taxes are a necessity in any governmental structure. The only question is, who pays? I think that the argument you've heard from my leader shows that those costs will shift on to the people whom you represent. They may not shift entirely, but they will continue to shift.

I would like to just give you one other thought. As we continue to reduce the billions of dollars or the billion plus dollars that businesses pay in taxes in this state. As we continue to see revenues shrink that at some point when the good times don't roll anymore and hard times begin to hit, then those costs will be borne even stronger and even in a larger percentage and in more dollars by the citizens we represent by the same taxpayers who sent you here to represent their interests.

So even though you say this is an elimination—all is good—you're in effect taxing the people and providing a humongous tax increase to the citizens who sent you here and vote for you in every particular election. So, maybe this is a cause for rejoicement in some camps, but in my camp, I am not rejoicing because I know that my citizens will be under a larger and larger tax burden—a continuing growth and tax burden. As the state revenues continue to shrink, as we hit hard times, and as we begin to reduce government services, then the full weight of the elimination of any business tax in this state will finally begin to be recognized by the citizens.

Senator Miller's statement is as follows:

Unfortunately, I have to oppose House Bill No. 4745. A number of reasons affect me.

I know in my district, I have a number of what they call job shops—those small industrial buildings that employ 40 or 50 people who do a lot of work for the Big Three. They get hammered by the Big Three to squeeze their cost or lower their cost for that product. And yet, on the other end we're not giving them any significant breaks. Now, I have to go back and tell that little, independent shop owner that we couldn't figure out a way to do away with the single business tax from the premiums on the health care insurance. We didn't raise a higher threshold to allow more people to apply to this thing, and we didn't accelerate the payment. That small fella who spends \$4,000 or \$5,000 a year on accountant fees to figure out what he owes, where's his tax break here? I mean, if you're a giant, Fortune 500 corporation, you will recognize the significant tax savings. But if you're one of those people, I don't care what district you live in, whether it's my senatorial district or one of the other 37 that have those industrial complexes that you see on the side of the road, you are not going to gain any significant savings. And, yet, when you tell them, I think it's an insult to their intelligence that you tell them it's going to take you 23 years to acquire a savings.

I think we deserve to do away with the SBT, but I think we deserve to give the small, independent shop owner a little quicker and a little bigger savings so at least he has a chance to survive in the big market.

By unanimous consent the Senate returned to the order of

Messages from the House

Senator Rogers moved that the following bills be placed at the head of the Messages from the House calendar:

Senate Bill No. 544

Senate Bill No. 306

Senate Bill No. 573

House Bill No. 4658

Senate Bill No. 343

Senate Bill No. 344

Senate Bill No. 489

House Bill No. 4666

Senate Bill No. 366

Senate Bill No. 368

The motion prevailed.

Senate Bill No. 544, entitled

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 4g (MCL 205.54g), as amended by 1998 PA 60, and by adding section 4r.

Substitute (H-6).

The question being on concurring in the substitute made to the bill by the House,

Senator Emmons offered the following substitute to the House substitute:

Substitute (S-4).

The question being on the adoption of the substitute,

Senator Bullard offered the following amendment to the substitute:

1. Amend page 23, line 18, after "SEC." by striking out "4S." and inserting "4Y.".

The amendment to the substitute was adopted.

Senator Emmons offered the following amendment to the substitute:

1. Amend page 37, line 14, after "BEFORE" by striking out "THE EFFECTIVE DATE" and inserting "JULY 1, 1999,".

The amendment to the substitute was adopted.

Senator Shugars offered the following amendments to the substitute:

1. Amend page 35, line 3, after "(1)" by inserting "FOR TAXES LEVIED AFTER JUNE 30, 1999,".

2. Amend page 36, line 23, by striking out all of subsection (4).

3. Amend page 37, following line 16, by inserting:

“SEC. 4Z. (1) FOR TAXES LEVIED AFTER DECEMBER 31, 1990 AND BEFORE JULY 1, 1999, THE TAX LEVIED UNDER THIS ACT DOES NOT APPLY TO A CLAIMED EXEMPTION OF TANGIBLE PERSONAL PROPERTY USED IN THE CONSTRUCTION, ALTERATION, REPAIR, OR IMPROVEMENT OF THE REAL ESTATE OR IS AFFIXED TO AND MADE A STRUCTURAL PART OF A BUILDING OF A NONPROFIT HOSPITAL PROVIDED THE FOLLOWING CRITERIA HAVE BEEN MET:

(A) A NONPROFIT HOSPITAL IS AN ENTITY DESCRIBED IN SECTION 4W(3)(A)(i).

(B) A BINDING CONTRACT HAD BEEN ENTERED INTO FOR THE CONSTRUCTION, ALTERATION, REPAIR, OR IMPROVEMENT OF THE REAL ESTATE OR THE AFFIXATION TO THE BUILDING BEFORE JULY 1, 1999.

(C) THE CLAIMED EXEMPTION WAS MADE IN GOOD FAITH.

(2) THE PROVISIONS OF THIS SECTION SHALL NOT BE APPLIED TO AFFECT ANY FINAL DECISION OF A COURT.

(3) A CLAIM FOR REFUND FOR AN EXEMPTION UNDER THIS SECTION SHALL BE FILED NOT LATER THAN JULY 15, 1999. THE APPROVED REFUNDS SHALL BE PAID WITHOUT INTEREST.”.

The amendments to the substitute were adopted.

Senator Peters offered the following amendment to the substitute:

1. Amend page 6, line 15, after “257.251.” by inserting “IF ANOTHER MOTOR VEHICLE IS USED AS PART PAYMENT OF THE PURCHASE PRICE OF A NEW MOTOR VEHICLE, THE GROSS PROCEEDS OF THE NEW MOTOR VEHICLE EQUALS THE DIFFERENCE BETWEEN THE VALUE OF THE NEW MOTOR VEHICLE AND THE MOTOR VEHICLE USED AS PART PAYMENT.”

The question being on the adoption of the amendment,

Senator Dingell requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment to the substitute was not adopted, a majority of the members not voting therefor, as follows:

Roll Call No. 401

Yeas—16

Byrum
Cherry
DeBeaussaert
Dingell

Goschka
Hart
Jaye
Koivisto

Leland
Miller
Murphy
Peters

Smith, A.
Smith, V.
Vaughn
Young

Nays—22

Bennett
Bullard
DeGrow
Dunaskiss
Emerson
Emmons

Gast
Gougeon
Hammerstrom
Hoffman
Johnson
McCotter

McManus
North
Rogers
Schuette
Schwarz

Shugars
Sikkema
Steil
Stille
Van Regenmorter

Excused—0

Not Voting—0

In The Chair: Schwarz

Protests

Senators DeGrow, McCotter, Gougeon, North, Hammerstrom and Shugars, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the amendment offered by Senator Peters to Senate Bill No. 544.

Senators DeGrow and Shugars moved that the statements they made during the discussion of the amendment be printed as their reasons for voting “no.”

The motion prevailed.

Senator DeGrow's statement, in which Senators McCotter, Gougeon, North and Hammerstrom concurred, is as follows:

Earlier in the night, the Senator from the 14th District accused the chairman of finance for the school safety committee of just being a lot of fluff and press releases; she wasn't really for kids. This is a direct assault on kids—this amendment. The single business tax does not go to the school aid fund. So, to the maker of this amendment—if he could at least hear this out—I know he's had a lot of amendments tonight, but this amendment is a direct assault on kids. This is school aid fund money. It will cost the school aid fund over \$100 million.

All the rhetoric I heard earlier about class size and safety and other things, and now you propose an amendment to try to make us look like we're against cutting taxes when we are doing the biggest tax cut in business, ever, in this state tonight. It's a direct assault on children and a direct assault on revenue sharing. So, those of you who are from the city of Detroit should take note: This amendment is a game; it will hurt children. We ought to be ashamed of ourselves for voting for this amendment.

Senator Shugars' statement is as follows:

I really like this amendment. I introduced Senate Bill No. 248 that does the same thing. I really think it's wonderful.

The only difference is that I'm willing to vote for cuts or stop increasing money for the school aid fund so that we can afford to pay for this. I want my colleagues to know that this is a \$250-million-a-year tax cut. I really like it, and I'd be willing to vote for it if my colleagues across the aisle would be willing to help fund it tonight—maybe reconsider some of the other votes. They keep putting up amendments for spending 20 million new dollars, another million dollars, and all those type of things on school aid. Maybe we should reconsider those because if we're going to be consistent, if we're going to give these tax cuts, then we have to find out where we are going to come up with the money for it.

I'm willing to cut government or lower the growth of it. I think I was one of two people who voted not to increase the funding for K-12 schools. If the rest of us could do that, then we could maybe vote for this amendment but not the way it is now. So I'm going to be voting against this amendment, but I'll continue to work for Senate Bill No. 248, and hopefully, it will come back. It's in the Finance Committee, and maybe we'll be able to get that out in a couple of years.

Senator Peters asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Peters' statement is as follows:

I guess I hit a nerve with this amendment, certainly with the reaction.

You know, it's kind of interesting—you hit a nerve when you try to cut taxes for average people in this state. I didn't hear any complaints about the school aid fund and other types of revenues when we were looking at changing the depreciation tables on personal property. That's another business tax that's going to be cut out a couple billion dollars from the SBT. But then we're also cutting the personal property tax to business, which will be around \$160 million. That is equivalent to what this cut would be, which is \$150 million.

The previous speaker is wrong in his numbers and the estimates that we're getting from the Senate Fiscal Agency. But I didn't hear any complaints from the Majority Leader on the cut in the business personal property tax. It's OK to cut those taxes, but when it comes to cutting taxes for average men and women of this state who universally complain about being double taxed, the majority party doesn't like taxing business once, but they enjoy taxing individuals twice. What is wrong with this picture?

I know that these are just average folks working hard to make a living. It's not a big corporation that happens to also have big political contributors. These are just average folks trying to make a living, and this is a cut for average people who are making the second largest purchase that they'll ever make—that automobile—and giving some meaningful relief. This is certainly doable, particularly when we're looking at a school aid fund with a balance of \$300 million even after this budget—a surplus of \$300 million. This cut is affordable, but more importantly, it goes to individuals who could really use the cut. Support the amendment.

The substitute, as amended, to the House substitute was adopted.

The question being on concurring in the House substitute, as substituted,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 402

Yeas—23

Bennett	Goschka	McCotter	Shugars
Bullard	Gougeon	McManus	Sikkema
DeGrow	Hammerstrom	North	Steil
Dunaskiss	Hoffman	Rogers	Stille
Emmons	Jaye	Schuetz	Van Regenmorter
Gast	Johnson	Schwarz	

Nays—15

Byrum
Cherry
DeBeaussiaert
Dingell

Emerson
Hart
Koivisto
Leland

Miller
Murphy
Peters
Smith, A.

Smith, V.
Vaughn
Young

Excused—0**Not Voting—0**

In The Chair: Schwarz

Senator Emmons offered to amend the title to read as follows:

A bill to amend 1933 PA 167, entitled “General sales tax act,” by amending sections 1, 4a, 4g, 4j, and 4q (MCL 205.51, 205.54a, 205.54g, 205.54j, and 205.54q), section 1 as amended by 1998 PA 451, section 4a as amended by 1998 PA 490, section 4g as amended by 1998 PA 60, section 4j as added by 1985 PA 225, and section 4q as added by 1998 PA 258, and by adding sections 4r, 4t, 4u, 4v, 4w, 4y, and 4z.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

Senate Bill No. 306, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending sections 307, 315, and 319 (MCL 257.307, 257.315, and 257.319), section 307 as amended by 1998 PA 330 and section 319 as amended by 1998 PA 347, and by adding section 50a.

Substitute (H-2).

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 403**Yeas—23**

Bennett
Bullard
DeGrow
Dunaskiss
Emmons
Gast

Goschka
Gougeon
Hammerstrom
Hoffman
Jaye
Johnson

McCotter
McManus
North
Rogers
Schuette
Schwarz

Shugars
Sikkema
Steil
Stille
Van Regenmorter

Nays—15

Byrum
Cherry
DeBeaussiaert
Dingell

Emerson
Hart
Koivisto
Leland

Miller
Murphy
Peters
Smith, A.

Smith, V.
Vaughn
Young

Excused—0**Not Voting—0**

In The Chair: Schwarz

The Senate agreed to the full title.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 573, entitled

A bill to amend 1975 PA 228, entitled “Single business tax act,” by amending sections 37c and 37d (MCL 208.37c and 208.37d), as amended by 1996 PA 470.

Substitute (H-2).

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 404

Yeas—35

Bennett	Emmons	Leland	Shugars
Bullard	Gast	McCotter	Sikkema
Byrum	Goschka	McManus	Smith, A.
Cherry	Gougeon	Miller	Smith, V.
DeBeaussaert	Hammerstrom	Murphy	Steil
DeGrow	Hart	North	Stille
Dingell	Hoffman	Rogers	Van Regenmorter
Dunaskiss	Johnson	Schuetten	Young
Emerson	Koivisto	Schwarz	

Nays—3

Jaye	Peters	Vaughn
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Excused—0

Not Voting—0

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the title as amended.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Protest

Senator Jaye, under his constitutional right of protest (Art. 4, Sec. 18), protested against concurring in the House substitute to Senate Bill No. 573.

Senator Jaye’s statement is as follows:

I voted against Senate Bill No. 573 because it’s the height of hypocrisy to force every other business in the state of Michigan to wait 23 years until they don’t have to pay the single business tax, but for the politically powerful and influential, they are eliminated and exempt from paying the single business tax if they get these designations in the MEGA zone.

House Bill No. 4658, entitled

A bill to amend 1986 PA 32, entitled “Emergency telephone service enabling act,” by amending section 201 (MCL 484.1201), as amended by 1994 PA 29, and by adding sections 407, 408, 409, 410, 411, and 412; and to repeal acts and parts of acts.

(For text of amendment, see Senate Journal No. 54, p. 993.)

The question being on concurring in the House amendment made to the Senate amendments,

The amendment was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 405

Yeas—31

Bennett	Emmons	McManus	Smith, A.
Bullard	Gast	Murphy	Smith, V.
Byrum	Goschka	North	Steil
Cherry	Gougeon	Rogers	Stille
DeGrow	Hammerstrom	Schuette	Van Regenmorter
Dingell	Johnson	Schwarz	Vaughn
Dunaskiss	Koivisto	Shugars	Young
Emerson	Leland	Sikkema	

Nays—7

DeBeaussaert	Hoffman	McCotter	Peters
Hart	Jaye	Miller	

Excused—0

Not Voting—0

In The Chair: Schwarz

Senate Bill No. 343, entitled

A bill to create an urban homestead program; to permit certain local governmental units or nonprofit community organizations to create and administer urban homestead programs; to prescribe the powers and duties of certain state entities and local governmental units; and to provide for the disposition of personal and real property.

The House of Representatives has concurred in the Senate amendments to the House substitute (H-3).

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 344, entitled

A bill to create an urban homestead program for single-family public housing; to provide that certain local governmental units, public housing entities, nonprofit community organizations, and certain state entities create and administer urban homestead programs for single-family public housing; to prescribe the powers and duties of certain state and local governmental units, public housing entities, and nonprofit community organizations; and to provide for the disposition of personal and real property.

The House of Representatives has concurred in the Senate amendment to the House substitute (H-3).

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 489, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," (MCL 211.1 to 211.157) by adding sections 79 and 79a.

The House of Representatives has concurred in the Senate substitute (S-3) to the House substitute (H-3), agreed to the title and pursuant to Joint Rule 20, inserted the full title.

The Senate agreed to the full title.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

House Bill No. 4666, entitled

A bill to create the Michigan merit award scholarship trust fund; to create the Michigan merit award scholarship board and prescribe the powers and duties of the board; and to provide for the Michigan merit award scholarship program.

The House of Representatives has amended the Senate substitute (S-2) as follows:

1. Amend page 12, following line 2, subsection (11), after “may take, and” by striking out “the school district in which the student resides” and inserting “the board”.

2. Amend page 12, following line 2, subsection (11), after “test at a” by striking out “school designated by the school district” and inserting “site designated by the board”.

The House of Representatives has concurred in the Senate substitute (S-2) as amended and agreed to the title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Rogers moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the amendments made by the House to the Senate substitute,

The amendments were concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 406**Yeas—34**

Bennett	Emmons	McCotter	Shugars
Bullard	Gast	McManus	Sikkema
Byrum	Goschka	Miller	Smith, A.
Cherry	Hammerstrom	North	Steil
DeBeaussaert	Hoffman	Peters	Stille
DeGrow	Jaye	Rogers	Van Regenmorter
Dingell	Johnson	Schuetz	Vaughn
Dunaskiss	Koivisto	Schwarz	Young
Emerson	Leland		

Nays—3

Hart	Murphy	Smith, V.
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Excused—0**Not Voting—1**

Gougeon

In The Chair: Schwarz

Senate Bill No. 366, entitled

A bill to make appropriations for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2000; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2000; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The House of Representatives has rejected the report of the Committee of Conference and has appointed Reps. Pappageorge, Kukuk and Martinez as second conferees.

The message was referred to the Secretary for record.

Senate Bill No. 368, entitled

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2000; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

The House of Representatives has rejected the report of the Committee of Conference and has appointed Reps. Mortimer, Cameron Brown and Frank as second conferees.

The message was referred to the Secretary for record.

Senator Gougeon stated that had he been present when the vote was taken on concurring in the House amendments to the Senate substitute to the following bill, he would have voted "yea":

House Bill No. 4666

Senator Stille asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Stille's statement is as follows:

It's been my pleasure to have a young lady work here in the Senate as a Page for nearly the last year. With the termination of this session here in another week or so, I didn't want to miss the opportunity. It's good news/bad news. The bad news is she's going to be leaving us. The good news is that she's not going far away. She's going to be working for Senator Walt North's office.

On her departure from the Senate as a Page, I would like to wish her well and thank her for her many, many contributions here to the Senate. I would ask my colleagues also to thank Jaime Millard from Coopersville, who has been with us for nearly the last year.

Senate Bill No. 492, entitled

A bill to amend 1986 PA 32, entitled "Emergency telephone service enabling act," by amending sections 102, 303, 316, 601, 602, and 604 (MCL 484.1102, 484.1303, 484.1316, 484.1601, 484.1602, and 484.1604), section 102 as amended by 1996 PA 313, sections 303 and 602 as amended by 1994 PA 29, and section 601 as amended by 1989 PA 36, and by adding section 605.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 493, entitled

A bill to amend 1986 PA 32, entitled "Emergency telephone service enabling act," by amending sections 401, 403, 404, 405, 406, and 505 (MCL 484.1401, 484.1403, 484.1404, 484.1405, 484.1406, and 484.1505), sections 401, 403, and 405 as amended and section 406 as added by 1994 PA 29.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 370, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2000; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

(For Conference Report, see Senate Journal No. 55, p. 1031.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 361, entitled

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2000; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

(For Conference Report, see Senate Journal No. 55, p. 1082.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

House Bill No. 4733, entitled

A bill to amend 1996 PA 376, entitled "An act to create certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials," by amending the title and sections 3 and 5 (MCL 125.2683 and 125.2685) and by adding sections 8a and 8b.

The House of Representatives has amended the Senate substitute (S-2) as follows:

1. Amend page 3, line 8, after "means" by striking out the balance of the subdivision and inserting "either of the following:

(i) A county.

(ii) A city, village, or township that contains an eligible distressed area as defined in section 11 of the state housing development authority act of 1966, ~~Act No. 346 of the Public Acts of 1966, being section 125.1411 of the Michigan Compiled Laws~~ 1966 PA 346, MCL 125.1411."

The House of Representatives has concurred in the Senate substitute (S-2) as amended and agreed to the title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Rogers moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the amendment made to by the House to the Senate substitute,

The amendment was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 407**Yeas—29**

Bennett	Gougeon	McManus	Shugars
Bullard	Hammerstrom	Miller	Sikkema
Byrum	Hoffman	Murphy	Smith, V.
DeGrow	Johnson	North	Steil
Dunaskiss	Koivisto	Rogers	Stille
Emerson	Leland	Schuette	Van Regenmorter
Gast	McCotter	Schwarz	Young
Goschka			

Nays—9

Cherry	Emmons	Jaye	Smith, A.
DeBeaussaert	Hart	Peters	Vaughn
Dingell			

Excused—0**Not Voting—0**

In The Chair: Schwarz

Senator Schuette asked and was granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Schuette's first statement is as follows:

I would encourage us to concur in the House amendment to the Senate substitute. This amendment more narrowly defines what a qualified local governmental unit is and goes back to a more narrower approach on a list of eligible distressed communities according to a formula that MSHDA puts together. So, we have made a change in what a qualified governmental unit is. I'd urge adoption and concurrence in the House amendment to the Senate substitute.

Senator Schuette's second statement is as follows:

I think this is more a semantical issue. Counties may still apply in terms of those on eligible lists of distressed communities. It really depends on your choice in use of words. But counties across Michigan certainly are still able to apply and other units of government applying with the counties. We should adopt and concur in the House amendment to the Senate substitute. I think that we have eliminated semantical differences between the good leader from the minority party.

Senator Rogers moved that when the Senate adjourns today, it stand adjourned until Wednesday, June 16.

The motion prevailed.

By unanimous consent the Senate returned to the order of

Resolutions

Senator V. Smith offered the following resolution:

Senate Resolution No. 69.

A resolution of tribute and congratulations to Beverly Jean Clark upon her retirement.

Whereas, It is with great pleasure that the members of the Michigan Senate offer this resolution to thank Beverly Jean Clark for her 27 years of service at the John C. Lodge Elementary School of the Detroit Public Schools system; and

Whereas, Beverly Jean Clark was born on August 3, 1943, to the union of the of late Virgil Columbus Smith and Eliza Smith of Detroit, Michigan. She is the sister of Laverne McLean and State Senator Virgil Clark Smith. Beverly is a lifelong resident of the city of Detroit and a graduate of Immaculata High School and Wayne State University. In 1964, Beverly united in holy matrimony with Louis James Clark of Mt. Vernon, New York. To this union, three children were born: Marcia, Louis, and Christopher. She and her husband Louis are also the proud grandparents of Kristian and David; and

Whereas, Beverly's dedication to Hosmer Elementary School was quickly demonstrated through her hard work. Four years after coming into the Detroit Public Schools system, Beverly Jean Clark moved on to Harding Elementary School. Beverly devoted herself to Harding Elementary School for a year and a half before moving on to her place of retirement, the John C. Lodge Elementary School, where she has served the students with dedication for 27 years; now, therefore, be it

Resolved by the Senate, That a unanimous accolade of tribute be hereby accorded to salute and thank Beverly Jean Clark for her 27 years of service to the children of the state of Michigan, and to wish her the best in her new endeavors; and be it further

Resolved, That a copy of this resolution be transmitted to Beverly Jean Clark so she may know in what high esteem she is held by her many friends, co-workers, and present as well as past students in the state of Michigan, who have appreciated her 27 years of service.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations,

Senator Rogers moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The resolution was adopted.

Senator Rogers moved that rule 3.204 be suspended to name the entire membership of the Senate and the Lieutenant Governor as co-sponsors of the resolution.

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate returned to the order of
Motions and Communications

The following communications were received and read:
Office of the Senate Majority Leader

June 10, 1999

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the second conference committee on Senate Bill 366:

Senator Schwarz (Chair)
Senator Steil
Senator Young

June 10, 1999

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the second conference committee on Senate Bill 368:

Senator North (Chair)
Senator Steil
Senator A. Smith

Sincerely,
Dan L. DeGrow
Senate Majority Leader

The communications were referred to the Secretary for the record.

Introduction and Referral of Bills

Senators Sikkema, Bullard and Van Regenmorter introduced

Senate Bill No. 642, entitled

A bill to amend 1909 PA 106, entitled "An act to regulate the transmission of electricity through the public highways, streets and places of this state, where the source of supply and place of use are in the same or different counties; to regulate the charges to be made for electricity so transmitted; to regulate the rules and conditions of service under which said electricity shall be furnished and to confer upon the Michigan public utilities commission certain powers and duties in regard thereto," (MCL 460.551 to 460.559) by amending the title and by adding sections 10, 12, 14, 15, 23, 26, 27, and 33.

The bill was read a first and second time by title and referred to the Committee on Technology and Energy.

Senators Bullard, Sikkema and Van Regenmorter introduced

Senate Bill No. 643, entitled

A bill to amend 1909 PA 106, entitled "An act to regulate the transmission of electricity through the public highways, streets and places of this state, where the source of supply and place of use are in the same or different counties; to regulate the charges to be made for electricity so transmitted; to regulate the rules and conditions of service under which said electricity shall be furnished and to confer upon the Michigan public utilities commission certain powers and duties in regard thereto," (MCL 460.551 to 460.559) by amending the title and by adding sections 10, 11, 13, 18, 19, 20, 21, 30, 31, and 34.

The bill was read a first and second time by title and referred to the Committee on Technology and Energy.

Senators Van Regenmorter, Sikkema and Bullard introduced

Senate Bill No. 644, entitled

A bill to amend 1909 PA 106, entitled "An act to regulate the transmission of electricity through the public highways, streets and places of this state, where the source of supply and place of use are in the same or different counties; to regulate the charges to be made for electricity so transmitted; to regulate the rules and conditions of service under which said electricity shall be furnished and to confer upon the Michigan public utilities commission certain powers and duties in regard thereto," (MCL 460.551 to 460.559) by amending the title and by adding sections 10, 16, 17, 22, 24, 25, 28, 29, and 32.

The bill was read a first and second time by title and referred to the Committee on Technology and Energy.

Senators Jaye, Hammerstrom, Hoffman, Dunaskiss, McCotter, Shugars, Emmons, Gougeon, Hart, Miller and Koivisto introduced

Senate Bill No. 645, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” (MCL 500.100 to 500.8302) by adding section 3407b.

The bill was read a first and second time by title and referred to the Committee on Families, Mental Health and Human Services.

Senators Hammerstrom, Hoffman, Dunaskiss, Emmons, Shugars, Gougeon, Hart, McCotter, Jaye, Miller and Koivisto introduced

Senate Bill No. 646, entitled

A bill to amend 1980 PA 350, entitled “The nonprofit health care corporation reform act,” (MCL 550.1101 to 550.1704) by adding section 402c.

The bill was read a first and second time by title and referred to the Committee on Families, Mental Health and Human Services.

Senators Hoffman, Miller, Hammerstrom, Dunaskiss, Shugars, Emmons, Gougeon, McCotter, Jaye, Hart and Koivisto introduced

Senate Bill No. 647, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” (MCL 333.1101 to 333.25211) by adding section 21053f.

The bill was read a first and second time by title and referred to the Committee on Families, Mental Health and Human Services.

Senators Jaye, Dingell, Dunaskiss and Hoffman introduced

Senate Bill No. 648, entitled

A bill to amend 1927 PA 372, entitled “An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license; to provide for the forfeiture of firearms possessed in violation of this act; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; and to repeal all acts and parts of acts inconsistent with the provisions of this act,” by amending section 2 (MCL 28.422), as amended by 1994 PA 338.

The bill was read a first and second time by title and referred to the Committee on Hunting, Fishing and Forestry.

Senators Bullard, Dunaskiss, Johnson and Peters introduced

Senate Bill No. 649, entitled

A bill to amend 1961 PA 236, entitled “Revised judicature act of 1961,” by amending section 507 (MCL 600.507), as amended by 1994 PA 138.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Hoffman, Goschka, North and Emmons introduced

Senate Bill No. 650, entitled

A bill to amend 1911 PA 209, entitled “An act to adopt and prescribe the design of a state coat-of-arms and state flag, and their use, and to prohibit the use of the same for advertising purposes, and to provide a punishment for such forbidden use,” by amending section 3 (MCL 2.23).

The bill was read a first and second time by title and referred to the Committee on Government Operations.

Senators Sikkema, McManus and Shugars introduced

Senate Bill No. 651, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 9112 and 9121 (MCL 324.9112 and 324.9121), section 9112 as added by 1995 PA 60 and section 9121 as amended by 1996 PA 173, and by adding section 9111a.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

House Bill No. 4426, entitled

A bill to amend 1993 PA 330, entitled "State real estate transfer tax act," by amending section 6 (MCL 207.526), as amended by 1994 PA 255.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Finance.

Committee Reports

The Committee on Finance reported

House Bill No. 4586, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 4k (MCL 205.94k), as amended by 1996 PA 477. With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Joanne Emmons
Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard, Hammerstrom, Peters and Dingell

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Finance reported

House Bill No. 4744, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending sections 3, 4, and 4h (MCL 205.93, 205.94, and 205.94h), section 3 as amended by 1995 PA 67, section 4 as amended by 1998 PA 491, and section 4h as added by 1986 PA 13, and by adding sections 4o, 4p, 4q, 4r, 4s, 8, and 9a.

With the recommendation that the substitute (S-3) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Joanne Emmons
Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard and Hammerstrom

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Finance reported

House Bill No. 4745, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending sections 3, 4, 5, 23, 23b, 31, 45a, 49, 71, 77, and 78 (MCL 208.3, 208.4, 208.5, 208.23, 208.23b, 208.31, 208.45a, 208.49, 208.71, 208.77, and 208.78), section 4 as amended by 1995 PA 285, section 5 as amended by 1987 PA 253, sections 23 and 23b as amended by 1998 PA 504, section 31 as amended by 1994 PA 247, section 45a as added by 1995 PA 282, and section 71 as amended by 1984 PA 281, and by adding sections 19, 35a, and 54; and to repeal acts and parts of acts.

With the recommendation that the substitute (S-3) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Joanne Emmons
Chairperson

To Report Out:

Yeas: Senators Emmons, Bullard and Hammerstrom

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Finance submits the following:

Meeting held on Tuesday, June 8, 1999, at 1:10 p.m., 8th Floor Conference Room, Farnum Building

Present: Senators Emmons (C), Bullard, Hammerstrom, Peters and Dingell

The Committee on Appropriations reported

House Bill No. 4065, entitled

A bill to make appropriations for the department of career development and certain other state purposes for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Harry Gast
Chairperson

To Report Out:

Yeas: Senators Gast, Schwarz, McManus, Steil, Hoffman, North, Gougeon, Bennett, Stille, Goschka, A. Smith, Koivisto, Young, Vaughn and Emerson

Nays: Senator DeBeaussaert

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

House Bill No. 4075, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies, capital outlay, and certain other state purposes for the fiscal year ending September 30, 1999 and for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Harry Gast
Chairperson

To Report Out:

Yeas: Senators Gast, Schwarz, McManus, Steil, Hoffman, North, Gougeon, Bennett, Stille, Goschka, A. Smith, Koivisto, Young, Vaughn, DeBeaussaert and Emerson

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

House Bill No. 4498, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 11, 11g, 13, 17b, 18, 20, 20b, 24, 26a, 31a, 31c, 36, 36a, 51a, 53a, 56, 61a, 62, 63, 67, 68, 81, 91b, 101, 104a, 105, 147, and 166b (MCL 388.1606, 388.1611, 388.1611g, 388.1613, 388.1617b, 388.1618, 388.1620, 388.1620b, 388.1624, 388.1626a, 388.1631a, 388.1631c, 388.1636, 388.1636a, 388.1651a, 388.1653a, 388.1656, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1681, 388.1691b, 388.1701, 388.1704a, 388.1705, 388.1747, and 388.1766b), sections 6, 11, 11g, 17b, 20, 20b, 26a, 31a, 51a, 63, 81, and 105 as amended by 1998 PA 553, sections 13 and 18 as amended by 1996 PA 300, sections 24, 31c, 36, 36a, 53a, 56, 61a, 62, 68, 101, 147, and 166b as amended by 1998 PA 339, section 67 as amended by 1997 PA 142, section 91b as added by 1995 PA 130, and section 104a as amended by 1997 PA 176, and by adding sections 20j, 20k, 20l, 32, 43, 44, and 169c; and to repeal acts and parts of acts.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Harry Gast
Chairperson

To Report Out:

Yeas: Senators Gast, Schwarz, McManus, Steil, Hoffman, North, Gougeon, Bennett, Stille, Goschka, A. Smith, Koivisto, Young, Vaughn and DeBeaussaert

Nays: Senator Emerson

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Appropriations submits the following:

Meeting held, Wednesday, June 9, 1999, at 2:00 p.m., Senate Appropriations Room, Capitol Building

Present: Senators Gast (C), Schwarz, McManus, Steil, Hoffman, North, Gougeon, Bennett, Stille, Goschka, A. Smith, Koivisto, Young, Vaughn, DeBeaussaert and Emerson

Scheduled Meetings

Agriculture Preservation Task Force (SR 52) - Friday, June 18, at 1:00 p.m., Marlette Middle School Media Center, 6230 Euclid Street, Marlette; Saturday, June 19, at 9:00 a.m., Southwest Michigan Research and Extension Center, 1791 Hillandale, Benton Harbor; and Tuesday, June 29, at 11:00 a.m., Michigan State University Livestock Pavilion, East Lansing (3-1725).

Conference Committee on Senate Bill No. 361 - Friday, June 11, at 8:00 a.m., Rooms 402 and 403, Capitol Building (3-1801). (CANCELED)

Senator Rogers moved that the Senate adjourn.
The motion prevailed, the time being 8:16 p.m.

In pursuance of the order previously made, the President pro tempore, Senator Schwarz, declared the Senate adjourned until Wednesday, June 16, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate.

