

HOUSE SUBSTITUTE FOR SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5644

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, 2003; 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.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1  
2 LINE-ITEM APPROPRIATIONS  
3 Sec. 101. The amounts listed in this part are appropriated for the  
4 department of consumer and industry services, subject to the conditions  
5 set forth in this act, for the fiscal year ending September 30, 2003,

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

2

For Fiscal Year Ending  
September 30, 2003

1 from the funds identified in this part. The following is a summary of  
2 the appropriations in this part:

3 **DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

4	Full-time equated unclassified positions.....	63.5	
5	Full-time equated classified positions.....	3,942.9	
6	GROSS APPROPRIATION.....	\$	570,135,800
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers.....	\$	111,100
10	ADJUSTED GROSS APPROPRIATION.....	\$	570,024,700
11	Federal revenues:		
12	Total federal revenues.....		242,311,500
13	Special revenue funds:		
14	Total local revenues.....		0
15	Total private revenues.....		770,000
16	Total other state restricted revenues.....		288,957,600
17	State general fund/general purpose.....	\$	37,985,600
18	<b>Sec. 102. EXECUTIVE DIRECTION</b>		
19	Full-time equated unclassified positions.....	63.5	
20	Full-time equated classified positions.....	90.0	
21	Unclassified salaries.....	\$	5,615,600
22	Energy office--10.0 FTE positions.....		2,655,600
23	Executive director programs--11.0 FTE positions.....		1,766,800
24	Policy development--13.0 FTE positions.....		1,649,700
25	Utility consumer representation.....		550,000
26	Regulatory efficiency improvements/backlog reduction		
27	initiative.....		750,000

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

3

For Fiscal Year Ending  
September 30, 2003

1	MES board of review program--21.0 FTE positions.....	1,773,900
2	Bureau of hearings--35.0 FTE positions.....	<u>3,556,100</u>
3	GROSS APPROPRIATION..... \$	18,317,700
4	Appropriated from:	
5	Federal revenues:	
6	DOE-OEERE, multiple grants.....	2,179,100
7	DOL-ETA, unemployment insurance.....	2,325,300
8	DOL, multiple grants for safety and health.....	160,300
9	Special revenue funds:	
10	Private-oil overcharge.....	30,000
11	Bank fees.....	139,500
12	Boiler fee revenue.....	33,500
13	Construction code fund.....	442,000
14	Consumer finance fees.....	49,700
15	Corporation fees.....	1,902,000
16	Credit union fees.....	96,600
17	Elevator fees.....	37,400
18	Fees and collections/asbestos.....	11,100
19	Health professions regulatory fund.....	1,297,800
20	Health systems fees and collections.....	69,300
21	Insurance regulatory fees.....	559,300
22	Licensing and regulation fees.....	682,800
23	Liquor license fees.....	100,000
24	Liquor purchase revolving fund.....	1,526,700
25	Manufactured housing commission fees.....	144,300
26	Michigan state housing development authority fees and	
27	charges.....	428,000

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

4

For Fiscal Year Ending  
September 30, 2003

1	Motor carrier fees.....	37,000
2	Public utility assessments.....	1,212,000
3	Safety education and training fund.....	241,200
4	Second injury fund.....	80,900
5	Securities fees.....	1,768,400
6	Self-insurers security fund.....	20,400
7	Silicosis and dust disease fund.....	30,000
8	Tax tribunal fees.....	1,100
9	Utility consumer representation fund.....	550,000
10	Worker's compensation administrative revolving fund..	89,400
11	State general fund/general purpose..... \$	2,072,600
12	<b>Sec. 103. FIRE SAFETY</b>	
13	Full-time equated classified positions.....60.0	
14	Office of fire safety--60.0 FTE positions..... \$	<u>4,808,200</u>
15	GROSS APPROPRIATION..... \$	4,808,200
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	IDG from department of community health, inspection	
19	contract.....	111,100
20	Federal revenues:	
21	Federal funds.....	872,300
22	Special revenue funds:	
23	Fire alarm regulation fees.....	91,600
24	Fire service fees.....	2,134,800
25	State general fund/general purpose..... \$	1,598,400
26	<b>Sec. 104. MANAGEMENT SERVICES</b>	

# HB5644, As Passed House, May 22, 2002

House Bill No. 5644

5

For Fiscal Year Ending  
September 30, 2003

1	Full-time equated classified positions.....	84.0	
2	Administrative services--84.0 FTE positions.....	\$	5,907,000
3	Building occupancy charges - property development		
4	services.....		9,117,200
5	Rent.....		7,061,300
6	Worker's compensation.....		1,147,900
7	Special project advances.....		<u>740,000</u>
8	GROSS APPROPRIATION.....	\$	23,973,400
9	Appropriated from:		
10	Federal revenues:		
11	DOL-ETA, unemployment insurance.....		387,600
12	DOL, multiple grants for safety and health.....		640,400
13	Federal funds.....		469,700
14	HHS, federal funds.....		57,000
15	Special revenue funds:		
16	Private-special project advances.....		740,000
17	Bank fees.....		450,000
18	Boiler fee revenue.....		198,200
19	Construction code fund.....		1,031,800
20	Consumer finance fees.....		166,300
21	Corporation fees.....		2,253,600
22	Credit union fees.....		332,100
23	Elevator fees.....		209,100
24	Fees and collections/asbestos.....		61,500
25	Fire service fees.....		62,000
26	Health professions regulatory fund.....		985,200

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644		For Fiscal Year Ending September 30, 2003
6		
1	Health systems fees and collections.....	356,700
2	Insurance regulatory fees.....	786,900
3	Licensing and regulation fees.....	663,600
4	Licensing fees.....	7,700
5	Liquor purchase revolving fund.....	4,085,900
6	Manufactured housing commission fees.....	264,700
7	Michigan state housing development authority fees and	
8	charges.....	3,536,500
9	Motor carrier fees.....	174,300
10	Public utility assessments.....	1,400,200
11	Safety education and training fund.....	475,500
12	Second injury fund.....	185,900
13	Securities fees.....	1,470,600
14	Self-insurers security fund.....	50,800
15	Silicosis and dust disease fund.....	75,000
16	Tax tribunal fees.....	33,800
17	Worker's compensation administrative revolving fund..	710,600
18	State general fund/general purpose..... \$	1,650,200
19	<b>Sec. 105. OFFICE OF FINANCIAL AND INSURANCE SERVICES</b>	
20	Full-time equated classified positions.....279.0	
21	Administration--14.0 FTE positions..... \$	2,583,300
22	Financial evaluation--145.0 FTE positions.....	16,892,100
23	Policy conduct and consumer assistance--120.0 FTE	
24	positions.....	<u>12,158,900</u>
25	GROSS APPROPRIATION..... \$	31,634,300
26	Appropriated from:	

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

7

For Fiscal Year Ending  
September 30, 2003

1	Federal revenues:	
2	Federal regulatory project revenue.....	50,400
3	Special revenue funds:	
4	Bank fees.....	6,151,000
5	Consumer finance fees.....	3,102,000
6	Credit union fees.....	4,303,100
7	Insurance continuing education fees.....	700,900
8	Insurance licensing and regulation fees.....	3,112,000
9	Insurance regulatory fees.....	11,523,100
10	Multiple employer welfare arrangement.....	65,700
11	Securities fees.....	2,626,100
12	State general fund/general purpose..... \$	0
13	<b>Sec. 106. PUBLIC SERVICE COMMISSION</b>	
14	Full-time equated classified positions.....148.0	
15	Administration, planning and regulation--148.0 FTE	
16	positions..... \$	16,691,900
17	Low-income/energy efficiency assistance fund.....	<u>60,000,000</u>
18	GROSS APPROPRIATION..... \$	76,691,900
19	Appropriated from:	
20	Federal revenues:	
21	DOE-OEERE, multiple grants.....	149,000
22	DOT-RSPA, gas pipeline safety.....	287,000
23	Special revenue funds:	
24	Low-income and energy efficiency assistance fund.....	60,000,000
25	Motor carrier fees.....	1,856,600
26	Public utility assessments.....	14,399,300

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

8

For Fiscal Year Ending  
September 30, 2003

1	State general fund/general purpose.....	\$	0
2	<b>Sec. 107. LIQUOR CONTROL COMMISSION</b>		
3	Full-time equated classified positions.....	179.0	
4	Management support services--39.0 FTE positions.....	\$	2,709,300
5	Liquor licensing and enforcement--140.0 FTE positions		10,985,700
6	Liquor law enforcement grants.....		6,000,000
7	Grant to department of agriculture for wine industry		
8	council.....		<u>457,200</u>
9	GROSS APPROPRIATION.....	\$	20,152,200
10	Appropriated from:		
11	Special revenue funds:		
12	Liquor license revenue.....		11,086,200
13	Liquor purchase revolving fund.....		8,608,800
14	Nonretail liquor license revenue.....		457,200
15	State general fund/general purpose.....	\$	0
16	<b>Sec. 108. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>		
17	Full-time equated classified positions.....	226.0	
18	Payments on behalf of tenants.....	\$	78,000,000
19	Housing and rental assistance program--226.0 FTE		
20	positions.....		23,345,900
21	Homeless program.....		<u>5,290,800</u>
22	GROSS APPROPRIATION.....	\$	106,636,700
23	Appropriated from:		
24	Federal revenues:		
25	HUD, lower income housing assistance program.....		92,574,900
26	Special revenue funds:		



**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

9

For Fiscal Year Ending  
September 30, 2003

1	Michigan state housing development authority fees and		
2	charges.....		14,061,800
3	State general fund/general purpose.....	\$	0
4	<b>Sec. 109. TAX TRIBUNAL</b>		
5	Full-time equated classified positions.....	13.0	
6	Operations--13.0 FTE positions.....	\$	<u>1,353,100</u>
7	GROSS APPROPRIATION.....	\$	1,353,100
8	Appropriated from:		
9	Special revenue funds:		
10	Tax tribunal fees.....		641,600
11	State general fund/general purpose.....	\$	711,500
12	<b>Sec. 110. GRANTS</b>		
13	Fire protection grants.....	\$	<u>7,421,000</u>
14	GROSS APPROPRIATION.....	\$	7,421,000
15	Appropriated from:		
16	Special revenue funds:		
17	Liquor purchase revolving fund.....		7,421,000
18	State general fund/general purpose.....	\$	0
19	<b>Sec. 111. HEALTH REGULATORY SYSTEMS</b>		
20	Full-time equated classified positions.....	342.0	
21	Health systems administration--179.0 FTE positions...	\$	17,253,200
22	Emergency medical services program state staff--7.0		
23	FTE positions.....		904,600
24	Radiological health administration and projects--24.0		
25	FTE positions.....		2,025,800
26	Substance abuse program administration--4.0 FTE		
27	positions.....		409,500

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

10

For Fiscal Year Ending  
September 30, 2003

1	Emergency medical services grants and contracts.....	1,062,000
2	Health services--128.0 FTE positions.....	<u>14,120,100</u>
3	GROSS APPROPRIATION..... \$	35,775,200
4	Appropriated from:	
5	Federal revenues:	
6	Federal funds.....	13,001,100
7	Special revenue funds:	
8	Pain management education and controlled substances,	
9	electronic monitoring and anti-diversion fund.....	1,362,300
10	Health professions regulatory fund.....	11,189,000
11	Health systems fees and collections.....	3,870,100
12	Nurse professional fund.....	698,100
13	State general fund/general purpose..... \$	5,654,600
14	<b>Sec. 112. REGULATORY SERVICES</b>	
15	Full-time equated classified positions.....306.0	
16	AFC, children's welfare and day care licensure--306.0	
17	FTE positions..... \$	<u>26,034,600</u>
18	GROSS APPROPRIATION..... \$	26,034,600
19	Appropriated from:	
20	Federal revenues:	
21	HHS, federal funds.....	10,664,800
22	Special revenue funds:	
23	Health systems fees and collections.....	94,200
24	Licensing fees.....	490,500
25	State general fund/general purpose..... \$	14,785,100
26	<b>Sec. 113. OCCUPATIONAL REGULATION</b>	

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

11

For Fiscal Year Ending  
September 30, 2003

1	Full-time equated classified positions.....	339.0	
2	Commissions and boards.....	\$	49,700
3	Code enforcement--98.0 FTE positions.....		7,902,000
4	Code enforcement flexibility.....		1,141,900
5	Boiler inspection program--24.0 FTE positions.....		2,201,800
6	Elevator inspection program--26.0 FTE positions.....		2,287,000
7	Commercial services--153.0 FTE positions.....		13,544,800
8	Local manufactured housing communities inspections...		250,000
9	Manufactured housing and land resources program--26.0		
10	FTE positions.....		2,634,900
11	Property development group--12.0 FTE positions.....		1,338,700
12	Remonumentation grants.....		<u>6,000,000</u>
13	GROSS APPROPRIATION.....	\$	37,350,800
14	Appropriated from:		
15	Special revenue funds:		
16	Boiler fee revenue.....		2,350,600
17	Construction code fund.....		9,433,500
18	Corporation fees.....		4,837,100
19	Elevator fees.....		2,396,400
20	Homeowner construction lien recovery fund.....		1,532,800
21	Licensing and regulation fees.....		7,394,500
22	Limited liability partnership revenue.....		10,000
23	Manufactured housing commission fees.....		2,276,900
24	Property development fees.....		241,300
25	Remonumentation fees.....		6,605,300
26	Real estate appraiser continuing education fund.....		45,000

# HB5644, As Passed House, May 22, 2002

House Bill No. 5644		12	For Fiscal Year Ending September 30, 2003
1	Real estate education fund.....		217,500
2	State general fund/general purpose.....	\$	9,900
3	<b>Sec. 114. EMPLOYMENT RELATIONS</b>		
4	Full-time equated classified positions.....	28.0	
5	Fact finding and arbitration.....	\$	144,200
6	Employment and labor relations--28.0 FTE positions...		<u>2,943,900</u>
7	GROSS APPROPRIATION.....	\$	3,088,100
8	Appropriated from:		
9	Federal revenues:		
10	EEOC, federal funds.....		10,000
11	Special revenue funds:		
12	State general fund/general purpose.....	\$	3,078,100
13	<b>Sec. 115. SAFETY AND REGULATION</b>		
14	Full-time equated classified positions.....	240.0	
15	Commissions and boards.....	\$	21,300
16	Subgrantees.....		1,226,900
17	Occupational safety and health--240.0 FTE positions..		<u>21,357,400</u>
18	GROSS APPROPRIATION.....	\$	22,605,600
19	Appropriated from:		
20	Federal revenues:		
21	DOL, multiple grants for safety and health.....		10,377,200
22	Special revenue funds:		
23	Fees and collections/asbestos.....		704,300
24	Safety education and training fund.....		6,690,900
25	State general fund/general purpose.....	\$	4,833,200
26	<b>Sec. 116. BUREAU OF WORKERS' AND UNEMPLOYMENT COMPENSATION</b>		

# HB5644, As Passed House, May 22, 2002

House Bill No. 5644

13

For Fiscal Year Ending  
September 30, 2003

1	Full-time equated classified positions.....	1,608.9	
2	Administration--118.0 FTE positions.....	\$	8,530,100
3	Appellate commission administration--11.4 FTE		
4	positions.....		889,900
5	Board of magistrates administration--8.0 FTE		
6	positions.....		1,916,900
7	Employment standards enforcement--38.0 FTE positions.		2,621,800
8	Insurance funds administration--32.0 FTE positions...		5,500,800
9	Supplemental benefit fund.....		1,300,000
10	Grant to department of career development, hire the		
11	handicapped program.....		50,000
12	Unemployment program--1,324.2 FTE positions.....		88,421,300
13	Worker's compensation.....		589,000
14	Building occupancy charges - property development		
15	service.....		4,245,500
16	Rent.....		5,915,100
17	Advocacy assistance program--8.0 FTE positions.....		1,500,000
18	Expanded fraud control program--33.2 FTE positions...		2,566,200
19	Special audit and collections program--34.0 FTE		
20	positions.....		2,245,900
21	Training program for agency staff--2.1 FTE positions.		<u>1,756,400</u>
22	GROSS APPROPRIATION.....	\$	128,048,900
23	Appropriated from:		
24	Federal revenues:		
25	DOL, employment and training administration.....		529,200
26	DOL-ETA, unemployment insurance.....		92,887,900

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

14

For Fiscal Year Ending  
September 30, 2003

1	Federal Reed act funds.....	4,233,500
2	Special revenue funds:	
3	Corporation fees.....	361,000
4	Contingent fund, penalty and interest account.....	19,388,400
5	Second injury fund.....	3,321,500
6	Securities fees.....	360,900
7	Self-insurers security fund.....	886,500
8	Silicosis and dust disease fund.....	1,342,800
9	Worker's compensation administrative revolving fund..	2,115,400
10	State general fund/general purpose..... \$	2,621,800
11	<b>Sec. 117. INFORMATION TECHNOLOGY</b>	
12	Information technology services and projects..... \$	<u>26,244,100</u>
13	GROSS APPROPRIATION..... \$	26,244,100
14	Appropriated from:	
15	Federal revenues:	
16	DOL-ETA, unemployment insurance.....	10,360,300
17	DOL, multiple grants for safety and health.....	38,000
18	Federal funds.....	56,500
19	Special revenue funds:	
20	Bank fees.....	223,800
21	Boiler fee revenue.....	94,300
22	Construction code fund.....	724,600
23	Consumer finance fees.....	85,800
24	Contingent fund, penalty and interest account.....	122,800
25	Corporation fees.....	1,598,400
26	Credit union fees.....	157,900

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

15

For Fiscal Year Ending  
September 30, 2003

1	Elevator fees.....	89,800
2	Fees and collections/asbestos.....	17,500
3	Health professions regulatory fund.....	484,800
4	Health systems fees and collections.....	244,500
5	Insurance regulatory fees.....	471,700
6	Licensing and regulation fees.....	979,700
7	Liquor purchase revolving fund.....	4,270,300
8	Manufactured housing commission fees.....	47,500
9	Michigan state housing development authority fees and	
10	charges.....	1,182,400
11	Motor carrier fees.....	164,700
12	Public utility assessments.....	1,092,200
13	Safety education and training fund.....	178,200
14	Second injury fund.....	215,300
15	Securities fees.....	1,337,200
16	Self-insurers security fund.....	76,800
17	Silicosis and dust disease fund.....	99,600
18	Worker's compensation administrative revolving fund..	859,300
19	State general fund/general purpose..... \$	970,200

20

21

22

PART 2

23

PROVISIONS CONCERNING APPROPRIATIONS

24

**GENERAL SECTIONS**

25

Sec. 201. Pursuant to section 30 of article IX of the state

26

constitution of 1963, total state spending from state resources under

27

part 1 for fiscal year 2002-2003 is \$326,943,200.00 and state spending

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

16

1 from state resources to be paid to local units of government for fiscal  
2 year 2002-2003 is \$19,921,000.00. The itemized statement below identi-  
3 fies appropriations from which spending to units of local government will  
4 occur:

5 DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

6	Fire protection grants.....	\$	7,421,000
7	Liquor law enforcement.....		6,000,000
8	Local manufactured housing inspections.....		250,000
9	Remonumentation grants.....		6,000,000
10	Subgrantees.....		<u>250,000</u>
11	Total department of consumer and industry services...	\$	19,921,000

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

14 Sec. 203. As used in this appropriation act:

15 (a) "AFC" means adult foster care.

16 (b) "Department" means the department of consumer and industry  
17 services.

18 (c) "DOE" means the United States department of energy.

19 (d) "DOE-OEERE" means the DOE office of energy efficiency and  
20 renewable energy.

21 (e) "DOL" means the United States department of labor.

22 (f) "DOL-ETA" means the DOL employment and training administration.

23 (g) "DOT" means the United States department of transportation.

24 (h) "DOT-RSPA" means the DOT research and special programs  
25 administration.

26 (i) "EEOC" means equal employment opportunity commission.



**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

17

1       (j) "Fiscal agencies" means Michigan house fiscal agency and  
2 Michigan senate fiscal agency.

3       (k) "FTE" means full-time equated.

4       (l) "HHS" means the United States department of health and human  
5 services.

6       (m) "HUD" means the United States department of housing and urban  
7 development.

8       (n) "IDG" means interdepartmental grant.

9       (o) "MES" means Michigan employment security.

10       (p) "Subcommittees" means all members of the subcommittees of the  
11 house and senate appropriations committees with jurisdiction over the  
12 budget for the department.

13       Sec. 204. The department of civil service shall bill departments  
14 and agencies at the end of the first fiscal quarter for the 1% charge  
15 authorized by section 5 of article XI of the state constitution of 1963.  
16 Payments shall be made for the total amount of the billing by the end of  
17 the second fiscal quarter.

18       Sec. 205. (1) A hiring freeze is imposed on the state classified  
19 civil service. State departments and agencies are prohibited from hiring  
20 any new full-time state classified civil service employees and prohibited  
21 from filling any vacant state classified civil service positions. This  
22 hiring freeze does not apply to internal transfers of classified employ-  
23 ees from 1 position to another within a department.

24       (2) The state budget director shall grant exceptions to this hiring  
25 freeze when the state budget director believes that the hiring freeze  
26 will result in rendering a state department or agency unable to deliver  
27 basic services, cause a loss of revenue to the state, result in the

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

18

1 inability of the state to receive federal funds, or would necessitate  
2 additional expenditures that exceed any savings from maintaining a  
3 vacancy. The state budget director shall report quarterly to the chair-  
4 persons of the senate and house of representatives standing committees on  
5 appropriations the number of exceptions to the hiring freeze approved  
6 during the previous month and the reasons to justify the exception.

7       Sec. 206. (1) In addition to the funds appropriated in part 1,  
8 there is appropriated an amount not to exceed \$23,500,000.00 for federal  
9 contingency funds. These funds are not available for expenditure until  
10 they have been transferred to another line item in this act pursuant to  
11 section 393(2) of the management and budget act, 1984 PA 431,  
12 MCL 18.1393.

13       (2) In addition to the funds appropriated in part 1, there is appro-  
14 priated an amount not to exceed \$12,200,000.00 for state restricted con-  
15 tingency funds. These funds are not available for expenditure until they  
16 have been transferred to another line item in this act pursuant to sec-  
17 tion 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

18       (3) In addition to the funds appropriated in part 1, there is appro-  
19 priated an amount not to exceed \$180,800.00 for local contingency funds.  
20 These funds are not available for expenditure until they have been trans-  
21 ferred to another line item in this act pursuant to section 393(2) of the  
22 management and budget act, 1984 PA 431, MCL 18.1393.

23       (4) In addition to the funds appropriated in part 1, there is appro-  
24 priated an amount not to exceed \$50,000.00 for private contingency  
25 funds. These funds are not available for expenditure until they have  
26 been transferred to another line item in this act pursuant to section  
27 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

19

1       Sec. 207. At least 60 days before beginning any effort to  
2 privatize, the department shall submit a complete project plan to the  
3 subcommittees and the fiscal agencies. The plan shall include the cri-  
4 teria under which the privatization initiative will be evaluated. The  
5 evaluation shall be completed and submitted to the fiscal agencies and to  
6 the subcommittees within 30 months.

7       Sec. 208. Unless otherwise specified, the department shall use the  
8 Internet to fulfill the reporting requirements of this act. This may  
9 include transmission of reports via electronic mail to the recipients  
10 identified for each reporting requirement or it may include placement of  
11 reports on the Internet or Intranet site. Quarterly, the department  
12 shall provide to the subcommittees, state budget office, and the fiscal  
13 agencies an electronic and paper copy listing of the reports submitted  
14 during the most recent 3-month period along with the Internet or Intranet  
15 site of each report, if any.

16       Sec. 209. Funds appropriated in part 1 shall not be used for the  
17 purchase of foreign goods or services, or both, if competitively priced  
18 and of comparable quality American goods or services, or both, are  
19 available.

20       Sec. 210. The director of each department receiving appropriations  
21 in part 1 shall take all reasonable steps to ensure businesses in  
22 deprived and depressed communities compete for and perform contracts to  
23 provide services or supplies, or both. Each director shall strongly  
24 encourage firms with which the department contracts to subcontract with  
25 certified businesses in depressed and deprived communities for services,  
26 supplies, or both.

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

20

1       Sec. 211. The department shall establish and maintain affirmative  
2   action programs based on guidelines developed by the state equal  
3   opportunity workforce planning council which was created by Executive  
4   Order No. 1996-13 in order to receive general fund/general purpose  
5   dollars.

6       Sec. 212. The departments and state agencies receiving appropria-  
7   tions under this act shall receive and retain copies of all reports  
8   funded from appropriations in part 1. These departments and state agen-  
9   cies shall follow federal and state guidelines for short-term and  
10   long-term retention of these reports and records.

11       Sec. 259. From the funds appropriated in part 1 for information  
12   technology, the department shall pay user fees to the department of  
13   information technology for technology related services and projects.  
14   Such user fees shall be subject to provisions of an interagency agreement  
15   between the department and the department of information technology.

16       Sec. 260. Amounts appropriated in part 1 for information technology  
17   may be designated as work projects and carried forward to support tech-  
18   nology projects under the direction of the department of information  
19   technology. Funds designated in this manner are not available for expen-  
20   diture until approved as work projects under section 451a of the manage-  
21   ment and budget act, 1984 PA 431, MCL 18.1451a.

22   **DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

23       Sec. 301. The appropriation in part 1 for fire protection grants  
24   from the liquor purchase revolving fund shall be appropriated to cities,  
25   villages, and townships with state-owned facilities for fire services,

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

21

1 instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to  
2 141.956.

3       Sec. 302. The funds collected by the office of financial and insur-  
4 ance services in connection with a conservatorship pursuant to section 32  
5 of the mortgage brokers, lenders, and servicers licensing act, 1987  
6 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to  
7 provide for the required services. Funds are available for expenditure  
8 when they are received by the department of treasury and shall not lapse  
9 to the general fund at the end of the fiscal year.

10       Sec. 303. The funds collected by the department from corporations  
11 being liquidated pursuant to the insurance code of 1956, 1956 PA 218,  
12 MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary  
13 to provide for the required services. Funds are available for expendi-  
14 ture when they are received by the department of treasury and shall not  
15 lapse to the general fund at the end of the fiscal year.

16       Sec. 304. The department may make available to interested entities  
17 otherwise unavailable customized listings of nonconfidential information  
18 in its possession, such as names and addresses of licensees, and charge  
19 for this information as follows: base fee for 1 to 1,000 records at the  
20 cost to the department; 1,001 to 10,000 records at 2.5 cents per record;  
21 and 10,001 or more records at .5 cents per record. The revenue received  
22 from this service may be used to offset expenses of programs as appropri-  
23 ated in part 1. The balance of this revenue collected and unexpended at  
24 the end of the fiscal year shall revert to the appropriate restricted  
25 revenue account or fund or, in absence of such an account or fund, to the  
26 general fund. The department shall submit an annual report on or before

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

22

1 December 1 of each year to the state budget office and the subcommittees  
2 that states the amount of revenue received from the sale of information.

3 Sec. 305. The appropriation in part 1 may be used for per diem pay-  
4 ments to the members of commissions or boards for a full day of committee  
5 work at which a quorum is present or for performing official business as  
6 authorized by each respective commission or board. The per diem payments  
7 shall be \$50.00 per day.

8 Sec. 306. The Michigan state housing development authority shall  
9 annually present a report to the state budget office and the subcommit-  
10 tees on the status of the authority's housing production goals under all  
11 financing programs established or administered by the authority. The  
12 report shall give special attention to efforts to raise affordable multi-  
13 family housing production goals.

14 Sec. 307. The department shall assess and collect fees in the  
15 licensing and regulation of child care organizations as defined in 1973  
16 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as  
17 defined in the adult foster care facility licensing act, 1979 PA 218,  
18 MCL 400.701 to 400.737. Fees collected by the department shall be used  
19 exclusively for the purpose of licensing and regulating child care organ-  
20 izations and adult foster care facilities.

21 Sec. 308. The funds collected by the department for licenses, per-  
22 mits, and other elevator regulation fees set forth in R 408.8151 of the  
23 Michigan administrative code and as determined under section 8 of 1976  
24 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that  
25 are unexpended at the end of the fiscal year shall carry forward to the  
26 subsequent fiscal year. The department shall submit a report on an

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

23

1 annual basis to the state budget office and the subcommittees on the  
2 amount of funds available under this section.

3       Sec. 309. If the revenue collected by the department for occupa-  
4 tional safety and health, health systems administration, or radiological  
5 health administration and projects from fees and collections exceeds the  
6 amount appropriated in part 1, the revenue may be carried forward into  
7 the subsequent fiscal year. The revenue carried forward under this sec-  
8 tion shall be used as the first source of funds in the subsequent fiscal  
9 year.

10       Sec. 310. Money appropriated under this act for fire safety pro-  
11 grams shall not be expended unless, in accordance with section 2c of the  
12 fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review  
13 fees will be charged according to the following schedule:

14                   Operation and maintenance inspection fee

15 <u>Facility type</u>	16 <u>Facility</u> <u>size</u>	17 <u>Fee</u>
17 Hospitals	Any	\$8.00 per bed
18 <u>Plan review and construction inspection fees for hospitals and schools</u>		
19 <u>Project cost range</u>		20 <u>Fee</u>
20 \$101,000.00 or less		minimum fee of \$155.00
21 \$101,001.00 to \$1,500,000.00		\$1.60 per \$1,000.00
22 \$1,500,001.00 to \$10,000,000.00		\$1.30 per \$1,000.00
23 \$10,000,001.00 or more		\$1.10 per \$1,000.00
24	or a maximum fee of \$60,000.00.	

25  
26       Sec. 311. The department shall furnish the clerk of the house, the  
27 secretary of the senate, the state budget office, and all members of the  
28 house and senate appropriations committees with a summary of any evalu-  
29 ation reports and subsequent approvals or disapprovals of juvenile resi-  
30 dential facilities operated by the family independence agency, as  
31 required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

24

1 conducted during the fiscal year, the department shall notify the fiscal  
2 agencies and all members of the appropriate subcommittees of the house  
3 and senate appropriation committees.

4       Sec. 312. (1) From the amount appropriated in part 1 to health sys-  
5 tems administration, the department shall provide funding for not less  
6 than 113 inspectors to annually survey and investigate the care and serv-  
7 ices delivered in nursing homes, county medical care facilities, and hos-  
8 pital long-term care units in accordance with provisions in the public  
9 health code, 1978 PA 368, MCL 333.1101 to 333.25211, and federal Medicare  
10 and Medicaid certification standards.

11       (2) The department, in keeping with the severity of the allegations,  
12 shall investigate complaints alleging poor care and services occurring on  
13 nights or weekends in nursing homes, county medical care facilities, and  
14 hospital long-term care units by conducting on-site investigations on  
15 nights or weekends.

16       Sec. 313. If the revenue collected by the department from licensing  
17 and regulation fees exceeds the amount appropriated in part 1, the reve-  
18 nue may be carried forward into the subsequent fiscal year. The revenue  
19 carried forward under this section shall be used as the first source of  
20 funds in the subsequent fiscal year.

21       Sec. 314. Funds earned or authorized by the United States depart-  
22 ment of labor in excess of the gross appropriation in part 1 for the  
23 Michigan unemployment agency from the United States department of labor  
24 are appropriated and may be expended for staffing and related expenses  
25 incurred in the operation of its programs. These funds may be spent  
26 after the department notifies the state budget office and the  
27 subcommittees of the purpose and amount of each grant award.



**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

25

1       Sec. 315. The department shall sell documents at a price not to  
2 exceed the cost of production and distribution. Money received from the  
3 sale of these documents shall revert to the department. The funds are  
4 available for expenditure when they are received by the department of  
5 treasury and may only be used for costs directly related to the continued  
6 updating and distribution of the documents pursuant to this section.

7 This section applies only for the following documents:

8       (a) Corporation and securities division documents, reports, and  
9 papers required or permitted by law pursuant to section 1060(5) of the  
10 business corporation act, 1972 PA 284, MCL 450.2060.

11       (b) The subdivision control manual, the state boundary commission  
12 operations manual, and other local government assistance manuals.

13       (c) The Michigan liquor control code of 1998, 1998 PA 58,  
14 MCL 436.1101 to 436.2303, with amendments.

15       (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to  
16 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to  
17 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to  
18 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to  
19 451.818.

20       (e) Labor law books.

21       (f) Worker's compensation health care services rules.

22       (g) Minimum design standards for health care facilities.

23       (h) Construction code manuals.

24       (i) Copies of transcripts from administrative law hearings.

25       Sec. 316. The department shall report to the state budget office,  
26 the fiscal agencies, and the subcommittees on April 30, 2003 and October  
27 31, 2003 on the initial and follow-up surveys conducted on all nursing

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

26

1 homes in this state. The report shall include all of the following  
2 information:

3 (a) The number of surveys conducted.

4 (b) The number requiring follow-up surveys.

5 (c) The number referred to the Michigan public health institute for  
6 remediation.

7 (d) The number of citations per home.

8 (e) The number of night and weekend complaints filed.

9 (f) The number of night and weekend responses to complaints con-  
10 ducted by the department.

11 (g) The average length of time for the department to respond to a  
12 complaint filed against a nursing home.

13 (h) The number and percentage of citations appealed.

14 (i) The number and percentage of citations overturned and/or  
15 modified.

16 Sec. 317. The department, bureau of safety and regulation, shall  
17 provide an annual report by February 1 of each year to the state budget  
18 office, the fiscal agencies, and the subcommittees on the number of indi-  
19 viduals killed and the number of individuals injured on the job within  
20 industries regulated by the bureau during the preceding calendar year.

21 Sec. 318. The department shall report by November 1, 2002 to the  
22 state budget office, the legislature, and the fiscal agencies the status  
23 of the nursing home complaint investigation backlog.

24 Sec. 319. As a condition for receiving the general fund/general  
25 purpose appropriations in part 1 for health systems administration, the  
26 department shall provide assistance to any person making an oral request  
27 for a nursing home investigation in putting his or her request into

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

27

1 writing, shall initiate investigations on all written nursing home  
2 complaints filed with the department within 15 days of receipt of the  
3 complaint, and shall provide a written response to the complainant within  
4 30 days of receipt of the written complaint.

5       Sec. 320. The unemployment agency, during its transition to the  
6 remote initial claims system, may operate a sufficient number of unem-  
7 ployment agency offices, including itinerant or satellite offices, within  
8 Michigan's Upper Peninsula to ensure that the citizens of the Upper  
9 Peninsula can access these offices without excessive travel or, in cases  
10 where unemployment claims are filed or renewed by phone, without exces-  
11 sive long-distance toll charges.

12       Sec. 321. The department shall continue to work with grantees sup-  
13 ported through the appropriation in part 1 for emergency medical services  
14 grants and contracts to ensure that a sufficient number of qualified  
15 emergency medical services personnel exist to serve rural areas of the  
16 state.

17       Sec. 322. From the funds appropriated in part 1 for utility con-  
18 sumer representation, the department shall produce and facilitate the  
19 airing of public service announcements that inform utility customers of  
20 the availability and purpose of these funds. The utility consumer par-  
21 ticipation board shall report to the subcommittees, fiscal agencies, and  
22 state budget office by September 30, 2003 on its efforts in this area,  
23 including the amount of expenditures made for this purpose.

24       Sec. 323. (1) The department in consultation with nursing home pro-  
25 vider groups, the department of community health, the state long-term  
26 care ombudsman, and the federal health care finance administration shall  
27 continue to work to clarify the following terms as those terms are used

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

28

1 in title XVIII and title XIX and applied by the department to provide  
2 more consistent regulation of nursing homes in Michigan:

3 (a) Immediate jeopardy.

4 (b) Harm.

5 (c) Potential harm.

6 (d) Avoidable.

7 (e) Unavoidable.

8 (2) The department shall semiannually provide for joint training  
9 with nursing home surveyors and providers on at least 1 of the 10 most  
10 frequently issued federal citations in this state during the past calen-  
11 dar year. The department shall provide a mechanism to measure the effect  
12 of the training and shall report to the legislature and the state budget  
13 office on the effect of the training by January 15, 2003.

14 Sec. 324. The unemployment agency shall work collaboratively with  
15 the department of career development to ensure each 1-stop center has the  
16 ability to assist individuals or respond to inquiries regarding unemploy-  
17 ment benefits and the remote initial claims system.

18 Sec. 325. (1) The department shall post on the Internet the execu-  
19 tive summary of the latest inspection for each licensed nursing home.

20 (2) The department shall work toward posting inspection summaries  
21 for licensed day care centers on the Internet.

22 Sec. 326. From the appropriations in part 1 for occupational safety  
23 and health, the department shall provide funding for at least 76 general  
24 industry safety inspectors, construction industry safety inspectors, and  
25 industrial hygienists. The department shall submit a report to the sub-  
26 committees, fiscal agencies, and state budget office by February 15, 2003

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

29

1 on the staffing levels for these categories. No budgetary savings shall  
2 be taken from the funding for inspection staffing.

3 Sec. 327. When hiring any new nursing home inspectors funded  
4 through appropriations in part 1, the department shall make every effort  
5 to hire individuals with past experience in the long-term care industry.

6 Sec. 328. It is the intent of this legislature that beginning  
7 January 1, 2004, the board of psychology shall require a licensee seeking  
8 renewal of a license to furnish the board with satisfactory evidence that  
9 during the 2 years before application for renewal the licensee has  
10 attended continuing education courses or programs approved by the board  
11 totaling not less than 36 credits. The applicant shall be responsible  
12 for maintaining records of continuing education attendance. The board is  
13 authorized to request verification of continuing education records at the  
14 time of renewal of application. Verification may be conducted periodi-  
15 cally by sample or by means other than reviewing every application.

16 Sec. 329. The department shall work to promote the nursing scholar-  
17 ship program funded from appropriations in part 1 to health services.  
18 The department shall focus its promotional efforts on recruiting under-  
19 graduate students into the nursing field in order to address the current  
20 nursing shortage. The department shall also make every effort to utilize  
21 scholarship funds in a manner which encourages undergraduate students to  
22 enter the nursing field.

23 Sec. 330. (1) The unemployment agency shall include in the remote  
24 initial claims center (RICCS) automated phone system a choice to speak  
25 with an employee of the unemployment agency as an option. This option  
26 should be provided in the system as early as possible as deemed

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

30

1 appropriate in the system design. The department shall monitor the  
2 system to ensure compliance with these guidelines.

3 (2) The unemployment agency should continue to provide training  
4 opportunities to employees affected with the implementation of the  
5 RICCS.

6 Sec. 331. Nursing facilities shall report in the quarterly staff  
7 report to the department, the total patient care hours provided each  
8 month, by state licensure and certification classification, and the per-  
9 centage of pool staff, by state licensure and certification classifica-  
10 tion, used each month during the preceding quarter. The department shall  
11 make available to the public, the quarterly staff report compiled for all  
12 facilities including the total patient care hours and the percentage of  
13 pool staff used, by classification.

14 Sec. 332. It is the intent of the legislature that the department  
15 make every effort to hold administrative law hearings on actions initi-  
16 ated by the department against regulated businesses or against individu-  
17 als in regulated occupations in locations that are within 150 miles of  
18 the regulated business or of the office of the individual in a regulated  
19 occupation. In addition, it is the intent of the legislature that the  
20 department make every effort to hold administrative law hearings on  
21 actions initiated by an individual outside the department in locations  
22 within 150 miles of the home of the individual bringing the action if  
23 that individual wishes to testify at the hearing.

24 Sec. 333. The department shall work cooperatively with the depart-  
25 ment of civil service to identify state employees who will lose their  
26 jobs as a result of an agency program being reorganized, modified, or  
27 eliminated and shall develop training programs and provide training to

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

31

1 these individuals that will provide them with the opportunity and skills  
2 necessary to secure new employment within the state government or the  
3 private sector. It shall be a priority of the department to provide  
4 training and employment opportunities to these displaced state employees  
5 through Michigan's employment service locations.

6 Sec. 334. From the funds appropriated in part 1 for adult foster  
7 care, children's welfare, and day care licensure, the department shall  
8 make every effort to maintain a day care facility to day care inspector  
9 ratio of no more than 210 to 1.

10 Sec. 335. (1) The public service commission shall report by June 1  
11 of each year to the subcommittees, the state budget office, and the  
12 fiscal agencies on the distribution of funds appropriated in part 1 for  
13 the low-income/energy efficiency assistance program.

14 (2) Of the funds appropriated in part 1 for low-income/energy effi-  
15 ciency assistance, \$3,000,000.00 shall be allocated to community action  
16 agencies across the state to support shut-off protection programs for  
17 low-income individuals. Funds shall be distributed to the community  
18 action agencies no later than November 1 of each year. The community  
19 action agencies shall abide by any reporting and monitoring requirements  
20 imposed by the public service commission on other grant recipients  
21 receiving funding through this program.

22 Sec. 336. The department shall provide the subcommittees, fiscal  
23 agencies, and state budget director with a report on or before December  
24 1, 2002 outlining actual expenditures for the last completed fiscal year  
25 for each division within the office of financial and insurance services.

26 Sec. 337. The department shall work cooperatively with the family  
27 independence agency and with representatives from the Michigan federation

**HB5644, As Passed House, May 22, 2002**

House Bill No. 5644

32

1 of private child and family agencies to form a licensing and contract  
2 compliance review team pilot to coordinate and conduct joint reviews of 1  
3 child placing agency and 1 child caring institution between October 1,  
4 2002 and February 1, 2003. The Michigan federation of private child and  
5 family agencies will survey team participants and involved agencies  
6 regarding the process and provide feedback to the department. The  
7 department shall report during the annual budget presentation to the sub-  
8 committees regarding pilot outcomes.