

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2011**

Introduced by Rep. Moss

ENROLLED HOUSE BILL No. 5014

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies and for the legislative branch for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2012, from the following funds:

APPROPRIATION SUMMARY

Full-time equated classified positions	0.0	
GROSS APPROPRIATION	\$	351,818,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		30,613,800
ADJUSTED GROSS APPROPRIATION	\$	321,205,100
Federal revenues:		
Total federal revenues		250,969,200
Special revenue funds:		
Total local revenues.....		0
Total private revenues		89,000
Total other state restricted revenues		(99,214,200)
State general fund/general purpose	\$	169,361,100

Sec. 102. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	320,446,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	320,446,100
Federal revenues:		
Total federal revenues		250,969,200

Special revenue funds:		
Total local revenues.....	\$	0
Total private revenues.....		0
Total other state restricted revenues.....		(99,214,200)
State general fund/general purpose.....	\$	168,691,100
(2) COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
Medicaid mental health services.....	\$	68,369,300
Medicaid adult benefits waiver.....		1,019,400
Medicaid substance abuse services.....		1,485,400
GROSS APPROPRIATION.....	\$	70,874,100
Appropriated from:		
Federal revenues:		
Total federal revenues.....		46,876,100
State general fund/general purpose.....	\$	23,998,000
(3) MEDICAL SERVICES ADMINISTRATION		
Electronic health record incentive program.....	\$	119,388,800
GROSS APPROPRIATION.....	\$	119,388,800
Appropriated from:		
Federal revenues:		
Total federal revenues.....		117,989,900
State general fund/general purpose.....	\$	1,398,900
(4) MEDICAL SERVICES		
Health plan services.....	\$	130,183,200
Subtotal basic medical services program.....		130,183,200
GROSS APPROPRIATION.....	\$	130,183,200
Appropriated from:		
Federal revenues:		
Total federal revenues.....		86,103,200
Special revenue funds:		
Total other state restricted revenues.....		(99,214,200)
State general fund/general purpose.....	\$	143,294,200
Sec. 103. DEPARTMENT OF EDUCATION		
(1) APPROPRIATION SUMMARY		
Full-time equated classified positions.....	36.0	
GROSS APPROPRIATION.....	\$	206,285,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION.....	\$	206,285,800
Federal revenues:		
Total federal revenues.....		164,151,700
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		89,000
Total other state restricted revenues.....		0
State general fund/general purpose.....	\$	42,045,100
(2) STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT		
Unclassified positions.....	\$	89,000
GROSS APPROPRIATION.....	\$	89,000
Appropriated from:		
Special revenue funds:		
Private revenues.....		89,000
State general fund/general purpose.....	\$	0
(3) EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES		
Full-time equated classified positions.....	(26.0)	
Early childhood education and family services—(26.0) FTE positions.....	\$	(4,295,700)
GROSS APPROPRIATION.....	\$	(4,295,700)

Appropriated from:	
Federal revenues:	
Federal revenues	\$ (3,388,300)
Special revenue funds:	
Certification fees	(59,100)
State general fund/general purpose	\$ (848,300)

(4) MICHIGAN OFFICE OF GREAT START

Full-time equated classified positions	62.0
Office of great start operations—61.0 FTE positions	\$ 20,441,700
Child development and care external support	30,613,800
Head start collaboration office—1.0 FTE position	281,300
Child development and care public assistance	159,155,700
GROSS APPROPRIATION	\$ 210,492,500

Appropriated from:	
Federal revenues:	
Federal revenues	167,540,000
Special revenue funds:	
Certification fees	59,100
State general fund/general purpose	\$ 42,893,400

Sec. 104. EXECUTIVE OFFICE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 200,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 200,000

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	\$ 200,000

(2) GOVERNOR'S COUNCIL ON EDUCATOR EFFECTIVENESS

Governor's council on educator effectiveness operations	\$ 200,000
GROSS APPROPRIATION	\$ 200,000
Appropriated from:	
State general fund/general purpose	\$ 200,000

Sec. 105. DEPARTMENT OF HUMAN SERVICES

(1) APPROPRIATION SUMMARY

Full-time equated classified positions	(36.0)
GROSS APPROPRIATION	\$ (175,583,000)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	30,613,800
ADJUSTED GROSS APPROPRIATION	\$ (206,196,800)

Federal revenues:	
Total federal revenues	(164,151,700)
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ (42,045,100)

(2) EXECUTIVE OPERATIONS

Full-time equated classified positions	(10.0)
Salaries and wages—(9.0) FTE positions	\$ (498,500)
Contractual services, supplies, and materials	(5,400)
AFC, children's welfare and day care licensure	0

		For Fiscal Year Ending Sept. 30, 2012
Demonstration projects—(1.0) FTE position	\$	(281,300)
State office of administrative hearings and rules		0
GROSS APPROPRIATION	\$	(785,200)
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of education		14,694,200
Federal revenues:		
Total other federal revenues		(15,423,100)
State general fund/general purpose	\$	(56,300)
(3) ADULT AND FAMILY SERVICES		
Office of program policy	\$	0
GROSS APPROPRIATION	\$	0
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of education		25,000
Federal revenues:		
Total other federal revenues		(25,000)
State general fund/general purpose	\$	0
(4) CHILDREN'S SERVICES		
ECIC, early childhood investment corporation	\$	(12,723,000)
GROSS APPROPRIATION	\$	(12,723,000)
Appropriated from:		
Federal revenues:		
Total other federal revenues		(12,723,000)
State general fund/general purpose	\$	0
(5) CHILD WELFARE SERVICES		
Contractual services, supplies, and materials	\$	0
Administrative support workers		0
Second line supervisors and technical staff		0
Foster care payments		(615,000)
Tribal foster care payments		615,000
GROSS APPROPRIATION	\$	0
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of education		235,000
Federal revenues:		
Total other federal revenues		(235,000)
State general fund/general purpose	\$	0
(6) LOCAL OFFICE STAFF AND OPERATIONS		
Field staff salaries and wages	\$	0
Donated funds positions		0
Contractual services, supplies, and materials		0
GROSS APPROPRIATION	\$	0
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of education		7,716,000
Federal revenues:		
Total other federal revenues		(7,716,000)
State general fund/general purpose	\$	0
(7) CENTRAL SUPPORT ACCOUNTS		
Travel	\$	(1,800)
Occupancy charge		0
Rent		0
Payroll taxes and fringe benefits		(268,900)
GROSS APPROPRIATION	\$	(270,700)
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of education		6,000,000

Federal revenues:		
Total other federal revenues.....	\$	(6,270,700)
State general fund/general purpose	\$	0
(8) PUBLIC ASSISTANCE		
Full-time equated classified positions.....(26.0)		
Family independence program.....	\$	0
Licensed and registered child development and care.....		(99,312,900)
Enrolled child development and care.....		(59,842,800)
Day care technology and oversight—(26.0) FTE positions		(2,618,400)
GROSS APPROPRIATION	\$	(161,774,100)
Appropriated from:		
Federal revenues:		
Total other federal revenues.....		(119,785,300)
State general fund/general purpose	\$	(41,988,800)
(9) INFORMATION TECHNOLOGY		
Information technology services and projects.....	\$	(30,000)
GROSS APPROPRIATION	\$	(30,000)
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of education		1,943,600
Federal revenues:		
Total other federal revenues.....		(1,973,600)
State general fund/general purpose	\$	0

Sec. 106. LEGISLATURE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	470,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	470,000
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	\$	470,000
(2) LEGISLATIVE COUNCIL		
Legislative council	\$	470,000
GROSS APPROPRIATION	\$	470,000
Appropriated from:		
State general fund/general purpose	\$	470,000

Sec. 107. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	0
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	0
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	\$	0
(2) REVENUE SHARING		
Economic vitality incentive program	\$	(200,000,000)

		For Fiscal Year Ending Sept. 30, 2012
Economic vitality incentive program	\$	200,000,000
Economic vitality incentive program, 1-time basis only		(15,000,000)
Economic vitality incentive program, 1-time basis only		15,000,000
GROSS APPROPRIATION	\$	0
Appropriated from:		
Special revenue funds:		
Sales tax revenue		0
State general fund/general purpose	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2012 is \$70,146,900.00 and state appropriations paid to local units of government are \$23,998,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

Medicaid mental health services	\$	23,149,800
Medicaid adult benefits waiver		345,200
Medicaid substance abuse services	\$	503,000
TOTAL	\$	23,998,000

Sec. 202. The appropriations made and expenditures authorized under this act and the departments, commissions, boards, offices, and programs for which appropriations are made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

DEPARTMENT OF HUMAN SERVICES

Sec. 301. From the funds appropriated in part 1 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

DEPARTMENT OF TREASURY

Sec. 402. (1) From the funds appropriated in fiscal year 2011-2012 to the economic vitality incentive program, \$5,000,000.00 is to be used for assistance grants to cities, villages, townships, and counties to offset the costs associated with mergers, interlocal agreements, and cooperative efforts for those cities, villages, townships, and counties that elect to combine government operations. Grant funding shall be available for mergers, interlocal agreements, and cooperative efforts that occur on or after October 1, 2011. The department of treasury shall develop an application process and method of grant distribution.

(2) From the funds appropriated in fiscal year 2011-2012 to the economic vitality incentive program, \$210,000,000.00 is to be used for grants to cities, villages, and townships such that, subject to fulfilling the requirements under subsection (3)(a), (b), or (c), each city, village, or township that received a payment under section 950(2) of 2009 PA 128, greater than \$4,500.00 will be eligible to receive a maximum of 67.837363% of its total payment received under section 950(2) of 2009 PA 128, rounded to the nearest dollar. For the purposes of this subsection, any city or village that according to the 2010 federal decennial census is determined to have population in more than 1 county will be treated as a single entity when determining the payment received under section 950(2) of 2009 PA 128.

(3) Cities, villages, and townships eligible to receive a potential payment from the allocation under subsection (2) may qualify to receive economic vitality incentive program payments under 1 or more of the following 3 categories:

(a) Category 1, accountability and transparency, requires each eligible city, village, or township to certify that by December 1, 2011, it has produced, and has made readily available to the public, a citizen's guide and a performance dashboard of its local finances, including a recognition of its unfunded liabilities. Each city, village, and township applying for a payment under this category shall submit a copy of the citizen's guide and a copy of the performance dashboard to the department of treasury by December 1, 2011.

(b) Category 2, consolidation of services, requires each eligible city, village, or township to certify that by January 1, 2012, it has a plan with 1 or more proposals to increase its existing level of cooperation, collaboration, and consolidation, either within the jurisdiction or with other jurisdictions. A plan shall include a listing of any previous services consolidated with the cost savings realized from each consolidation and an estimate of the potential savings for any new service consolidations being planned. A plan shall be made readily available to the public. Each city, village, and township applying for a payment under this subdivision shall submit a copy of the cooperation, collaboration, and consolidation plan to the department of treasury.

(c) Category 3, employee compensation, requires each eligible city, village, or township to certify that by May 1, 2012, it has developed and publicized an employee compensation plan that the city, village, or township intends to implement with any new, modified, or extended contract or employment agreements for employees not covered under contract or employment agreement. The employee compensation plan that each city, village, or township plans to achieve shall be made available for public viewing in the city, village, or township clerk's office or posted on a publicly accessible Internet site and must be submitted to the department of treasury. At a minimum, the employee compensation plan shall include the following:

(i) New hires who are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees who are eligible for social security benefits. For employees who are not eligible for social security benefits, the annual employer contribution is capped at 16.2% of base salary.

(ii) For defined benefit pension plans, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, where postemployment health care is not provided, the maximum multiplier shall be 2.25%. For all employees who are not eligible for social security benefits, a maximum multiplier of 2.25%, except, where postemployment health care is not provided, the maximum multiplier shall be 3.0%.

(iii) For defined benefit pension plans, final average compensation for all employees is calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee.

(iv) Health care premium costs for new hires shall include a minimum employee share of 20%; or, an employer's share of the local health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per-employee basis.

(4) Economic vitality incentive program payments are subject to the following conditions:

(a) Except as provided in subsection (d), in order for a city, village, or township to qualify for a category under subsection (3)(a), (b), or (c), the city, village, or township shall meet every criteria for that category including a certification to the department that it has met the required criteria for that category and submission of the required citizen's guide and performance dashboard; cooperation, collaboration, and consolidation plan; or the employee compensation plan as required by subsection (3)(a), (b), or (c), respectively. A department of treasury review of the citizen's guide, dashboard, or plan is not required in order for a city, village, or township to receive a payment under subsection (2). The department shall develop a certification process and method for cities, villages, and townships to follow.

(b) For each category that a city, village, or township qualifies for in subsection (3), the city, village, or township shall receive 1/3 of its potential economic vitality incentive program payment amount calculated in subsection (2).

(c) Payments under this section shall be issued to cities, villages, and townships for each category in subsection (3) until the specified due date for the category. After the specified due date for the category, payments shall be made to a city, village, or township only if that city, village, or township has complied with subdivision (a).

(d) If a city, village, or township does not provide the required certification or fails to submit the required citizen's guide and performance dashboard; cooperation, collaboration, and consolidation plan; or the employee compensation plan by the first day of a payment month, the city, village, or township shall forfeit the payment in that payment month for the uncertified category in subsection (3), except that a city, village, or township that certifies and submits the required documents under subsection (3)(a) by December 1, 2011 shall not forfeit any payments.

(e) Any local unit that falsifies certification documents shall forfeit any future economic vitality incentive program payments and shall repay this state all economic vitality incentive program payments it has received.

(f) Payments under this section shall be distributed on the last business day of October, December, February, April, June, and August.

(g) Payments distributed under this section may be withheld pursuant to sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

(5) The unexpended funds appropriated in this section for the economic vitality incentive program are designated as work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall continue to be available for expenditure for projects under subsection (1) until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

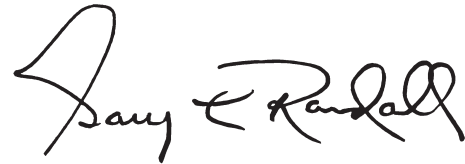
- (a) The purpose of the projects is to provide incentive-based grants to recipients under subsection (1).
- (b) The projects will be accomplished by grants to qualified governmental units.
- (c) The total estimated cost of all projects is \$215,000,000.00.
- (d) The tentative completion date is September 30, 2016.

REPEALERS

Enacting section 1. The following acts and parts of acts are repealed:

- (a) Section 951 of article VIII of 2011 PA 63.
- (b) Section 614 of article X of 2011 PA 63.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor