

Act No. 172
Public Acts of 1989
Approved by the Governor
September 20, 1989
Filed with the Secretary of State
September 20, 1989

**STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1989**

Introduced by Rep. Jacobetti

ENROLLED HOUSE BILL No. 4335

AN ACT to make appropriations for the department of mental health and certain state purposes related to mental hygiene for the fiscal year ending September 30, 1990; to provide for the expenditure of such appropriations; to create funds; to provide for reports; to prescribe the powers and duties of certain state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the department of mental health for the fiscal year ending September 30, 1990, from the funds identified hereunder:

DEPARTMENT OF MENTAL HEALTH

APPROPRIATIONS SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	10,436.5	
Average population.....	4,682.0	
GROSS APPROPRIATION		\$ 1,244,456,700
Interdepartmental grant revenues:		
IDG-department of corrections		765,000
Total grants		765,000
ADJUSTED GROSS APPROPRIATION		\$ 1,243,691,700
Federal revenues:		
Federal revenue, additional acquired.....		1,667,800
HHS-HCFA, title XIX		249,205,300
HHS-OASH		5,307,800
Federal-special education		30,000
DED-OESE, educationally deprived children, state administration- title I		588,300
HHS-OHDS, Developmental disabilities, basic support and advocacy grants.....		2,200,300
DAG-FNS, National school lunch program.....		775,000

For Fiscal Year
Ending Sept. 30,
1990

Stuart B. McKinney homeless assistance act (title IV).....	\$ 826,100
Federal-Omnibus reconciliation act, title XIX.....	15,566,700
Federal planning funds (PL 99-660).....	82,200
Federal training funds.....	125,000
Total federal revenues.....	276,374,500
Special revenue funds:	
CMH or state agency purchase of services.....	1,000,000
Lease/rental revenue.....	815,000
Recipient fees and third-party reimbursements	4,500,000
1st/3rd party revenues	35,614,000
Miscellaneous revenue.....	200,000
Tuition/stipend reimbursement.....	50,000
Robert Woods Johnson foundation grant.....	125,000
Audit exception/cost settlement revenue	1,150,000
Departmentwide lapse revenue.....	4,459,500
Total other revenues	47,913,500
Private-gifts and bequests revenues	2,000,000
Total private revenues.....	2,000,000
Local-community mental health-purchase of services	278,900
Local-special education revenue.....	1,521,800
Local county match revenues.....	37,463,900
Total local revenues	39,264,600
State general fund/general purpose	\$ 878,139,100

EXECUTIVE PROGRAM

Full-time equated unclassified positions	6.0
Full-time equated classified positions.....	760.0
Citizens' mental health advisory council (per diem cost, \$50.00 per member).....	\$ 40,100
Director.....	80,300
Deputy directors and executive assistants	223,800
Departmental administration and management, including facilities' salaries and fringes — 760.0 FTE positions.....	36,005,600
Central fund for acquiring additional federal funds	1,667,800
GROSS APPROPRIATION	\$ 38,017,600
Appropriated from:	
Federal revenues:	
HHS-HCFA, title XIX	680,000
Federal-special education	30,000
Federal revenue, additional acquired.....	1,667,800
Federal planning funds (PL 99-660).....	82,200
State general fund/general purpose	\$ 35,557,600

DATA PROCESSING—MENTAL HEALTH

Full-time equated classified positions.....	60.0
Salaries and wages—60.0 FTE positions	\$ 1,987,300
Longevity and insurance.....	284,000
Retirement.....	345,600
Contractual services, supplies, and materials.....	628,300
Equipment.....	1,273,900
Travel.....	36,700
Community mental health-ADP services.....	278,900
Expansion of itemized billing implementation	1,500,000
GROSS APPROPRIATION	\$ 6,334,700
Appropriated from:	
Federal revenues:	
HHS-HCFA, title XIX	500,000
Special revenue funds:	
Local-community mental health-purchase of services	278,900

	For Fiscal Year Ending Sept. 30, 1990
1st/3rd party revenues	\$ 1,000,000
State general fund/general purpose	\$ 4,555,800
DEVELOPMENTAL DISABILITIES	
Full-time equated classified positions.....12.0	
Salaries and wages—12.0 FTE positions	\$ 412,000
Longevity and insurance	41,800
Retirement.....	89,700
Contractual services, supplies, and materials.....	55,500
Travel	33,600
Equipment.....	3,200
Rent.....	83,700
Developmental disabilities project grants.....	1,480,800
GROSS APPROPRIATION	\$ 2,200,300
Appropriated from:	
Federal revenues:	
HHS-OHDS, developmental disabilities, basic support and advocacy grants.....	2,200,300
State general fund/general purpose	\$ 0
SPECIAL PROJECTS	
Full-time equated classified positions.....10.0	
Mentally ill/mentally retarded mental health services—1.0 FTE position	\$ 345,900
Mentally ill/substance abuse mental health services	517,700
Developmental disabilities dental program.....	1,110,100
Biochemical screening to detect genetic factors resulting in developmen- tal disabilities	264,100
Pilot projects in prevention for mentally ill adults and children—2.0 FTE positions	2,929,000
Consumer involvement program.....	345,900
Foster grandparent and senior companion program for the developmen- tally disabled and mentally ill adults.....	1,787,300
Permanency planning project—5.0 FTE positions	477,000
Mentally ill protection and advocacy services	391,500
Protection and advocacy services (pursuant to section 931 of Act No. 258 of the Public Acts of 1974, being section 330.1931 of the Michigan Compiled Laws).....	1,413,100
Mental health community services projects.....	929,900
Mentally ill aftercare projects for impacted communities	299,200
Mentally ill multicultural and special needs projects.....	2,563,500
Professional staff education program —1.0 FTE position	1,001,300
Mental health initiatives for older persons	455,500
Research project for the seriously mentally ill	150,000
Mental health services for youth project	125,000
Supported employment pilot project	1,303,000
Direct care staff training	875,000
Mental health services through McKinney homeless assistance act —1.0 FTE position	826,100
GROSS APPROPRIATION	\$ 18,110,100
Appropriated from:	
Federal revenues:	
Stuart B. McKinney homeless assistance act (title IV).....	826,100
Federal training funds	125,000
Special revenue funds:	
Tuition/stipend reimbursement	50,000
Robert Woods Johnson foundation grant.....	125,000
State general fund/general purpose	\$ 16,984,000

COMMUNITY MENTAL HEALTH PROGRAMS

Full-time equated classified positions.....12.0	
Community mental health programs.....	\$ 375,046,000
CMH-community residential services for mentally ill adults.....	2,159,500
CMH-community residential services for mentally ill children.....	999,900
CMH-community residential services for the developmentally disabled.....	3,203,300
Inpatient care and alternative program (pursuant to section 116 of Act No. 258 of the Public Acts of 1974, being section 330.1116 of the Michigan Compiled Laws).....	438,406,200
Federal block grant.....	5,307,800
Omnibus reconciliation act implementation—12.0 FTE positions.....	27,566,700
Community mental health grant fund (pursuant to sections 226a, 244, 300, 309, 310, 311, and 313 of Act No. 258 of the Public Acts of 1974, being sections 330.1226a, 330.1244, 330.1300, 330.1309, 330.1310, 330.1311, and 330.1313 of the Michigan Compiled Laws).....	4,500,000
Family support subsidy.....	11,194,100
GROSS APPROPRIATION	\$ 868,383,500
Appropriated from:	
Federal revenues:	
HHS-HCFA, title XIX	51,079,900
HHS-OASH.....	5,307,800
Federal-Omnibus reconciliation act, title XIX.....	15,566,700
Special revenue funds:	
Recipient fees and third-party reimbursements	4,500,000
State general fund/general purpose	\$ 791,929,100

COMMUNITY INPATIENT/RESIDENTIAL BEDS

Community inpatient/residential beds for mentally ill children and adults	\$ 9,700,000
Clinton valley center reduction project	4,028,000
Developmentally disabled centers census reduction project.....	5,892,700
GROSS APPROPRIATION	\$ 19,620,700
Appropriated from:	
State general fund/general purpose	\$ 19,620,700

COMMUNITY RESIDENTIAL SERVICES

Full-time equated classified positions.....5.0	
Community residential services for mentally ill children.....	\$ 8,869,800
Community residential services for mentally ill adults.....	6,373,200
Community residential services for the developmentally disabled	210,178,200
Private nursing homes and alternative services program—5.0 FTE positions.....	21,412,400
Alternative intermediate services/mentally retarded	238,200
State police, fire marshall reviews.....	520,700
Department of social services, SSI advocacy for mental health	374,700
Department of public health, ICF/MR certification reviews.....	114,700
GROSS APPROPRIATION	\$ 248,081,900
Appropriated from:	
Federal revenues:	
HHS-HCFA, title XIX	11,738,000
State general fund/general purpose	\$ 236,343,900

COMMUNITY RESIDENTIAL SERVICES SUPPORT FOR MENTALLY ILL ADULTS

Full-time equated classified positions.....65.0	
Salaries and wages—65.0 FTE positions	\$ 2,156,600
Longevity and insurance	238,700
Retirement.....	339,400
Contractual services, supplies, and materials.....	25,000

	For Fiscal Year Ending Sept. 30, 1990
Travel.....	\$ 45,100
Rent.....	18,700
GROSS APPROPRIATION	\$ 2,823,500
Appropriated from:	
State general fund/general purpose	\$ 2,823,500
COMMUNITY RESIDENTIAL SERVICES SUPPORT FOR MENTALLY ILL CHILDREN	
Full-time equated classified positions.....19.0	
Salaries and wages—19.0 FTE positions	\$ 603,800
Longevity and insurance	76,000
Retirement.....	91,700
Contractual services, supplies, and materials.....	17,500
Travel.....	64,600
GROSS APPROPRIATION	\$ 853,600
Appropriated from:	
State general fund/general purpose	\$ 853,600
COMMUNITY RESIDENTIAL SERVICES SUPPORT FOR DEVELOPMENTALLY DISABLED	
Full-time equated classified positions.....414.0	
Salaries and wages—409.0 FTE positions	\$ 13,385,000
Longevity and insurance	1,538,200
Retirement.....	2,088,800
Contractual services, supplies, and materials.....	641,400
Travel.....	509,900
Rent.....	76,100
Office of alternative residential services coordination and information— 5.0 FTE positions	280,900
GROSS APPROPRIATION	\$ 18,520,300
Appropriated from:	
State general fund/general purpose	\$ 18,520,300
WORKER'S COMPENSATION	
Full-time equated classified positions.....3.0	
Worker's compensation and staff—3.0 FTE positions	\$ 10,793,000
GROSS APPROPRIATION	\$ 10,793,000
Appropriated from:	
State general fund/general purpose	\$ 10,793,000
INSTITUTIONAL SERVICES	
Full-time equated classified positions.....28.5	
Citizens advisory councils at state facilities.....	\$ 26,500
Compensation of institution residents who are performing productive labor.....	624,800
Psychiatric residency program	5,345,100
DED-OESE, ECIA-title I—8.5 FTE positions	588,300
Purchase of medical services for state mental health facility residents	3,868,800
Improvement of lease/rental property at state mental health institutions	250,000
Travel.....	990,800
Equipment.....	2,302,600
Special maintenance.....	681,100
Longevity and insurance.....	40,580,700
Retirement.....	46,354,200
Food.....	9,838,000
Drugs.....	5,522,700
Fuel and utilities.....	13,139,100
Gifts and bequests.....	2,000,000
Jobs retraining fund	200,000

For Fiscal Year
Ending Sept. 30,

1990

Severance pay.....	\$	165,800
Special education program—20.0 FTE positions.....		1,121,800
CMH or state agency purchase of services.....		1,000,000
GROSS APPROPRIATION	\$	134,600,300
Appropriated from:		
Federal revenues:		
DED-OESE, educationally deprived children, state administration- title I.....		588,300
Special revenue funds:		
Local-special education revenue.....		1,521,800
Lease/rental revenue		815,000
CMH or state agency purchase of services.....		1,000,000
Private-gifts and bequests revenues		2,000,000
State general fund/general purpose	\$	128,675,200

CARO REGIONAL MENTAL HEALTH CENTER-PSYCHIATRIC SERVICES UNIT

Average population.....	106.0	
Full-time equated classified positions.....	159.5	
Salaries and wages—159.5 FTE positions	\$	5,042,200
Contractual services, supplies, and materials.....		275,900
GROSS APPROPRIATION	\$	5,318,100
Appropriated from:		
State general fund/general purpose	\$	5,318,100

CLINTON VALLEY CENTER

Average population.....	445.0	
Full-time equated classified positions.....	599.5	
Salaries and wages—619.5 FTE positions	\$	20,880,600
Contractual services, supplies, and materials.....		1,503,400
Census reduction savings—(20.0) FTE positions.....		(1,500,000)
GROSS APPROPRIATION	\$	20,884,000
Appropriated from:		
State general fund/general purpose	\$	20,884,000

COLDWATER MENTAL HEALTH CENTER

Average population.....	217.0	
Full-time equated classified positions.....	427.0	
Salaries and wages—427.0 FTE positions	\$	13,072,100
Contractual services, supplies, and materials.....		895,500
GROSS APPROPRIATION	\$	13,967,600
Appropriated from:		
State general fund/general purpose	\$	13,967,600

DETROIT PSYCHIATRIC INSTITUTE

Average population.....	166.0	
Full-time equated classified positions.....	317.0	
Salaries and wages—307.0 FTE positions	\$	10,820,900
Contractual services, supplies, and materials.....		1,251,300
Rent		1,162,000
Community-oriented staff—10.0 FTE positions.....		510,500
GROSS APPROPRIATION	\$	13,744,700
Appropriated from:		
State general fund/general purpose	\$	13,744,700

KALAMAZOO REGIONAL PSYCHIATRIC HOSPITAL

Average population.....	517.0	
Full-time equated classified positions.....	817.5	
Salaries and wages—817.5 FTE positions	\$	26,392,000

	For Fiscal Year Ending Sept. 30, 1990
Contractual services, supplies, and materials.....	\$ 1,726,400
GROSS APPROPRIATION	\$ 28,118,400
Appropriated from:	
State general fund/general purpose	\$ 28,118,400
NEWBERRY REGIONAL MENTAL HEALTH CENTER- PSYCHIATRIC SERVICES UNIT	
Average population.....	60.0
Full-time equated classified positions.....	119.0
Salaries and wages—119.0 FTE positions	\$ 3,871,300
Contractual services, supplies, and materials.....	223,300
GROSS APPROPRIATION	\$ 4,094,600
Appropriated from:	
State general fund/general purpose	\$ 4,094,600
NORTHVILLE REGIONAL PSYCHIATRIC HOSPITAL	
Average population.....	758.0
Full-time equated classified positions.....	1,234.0
Salaries and wages—1,204.0 FTE positions	\$ 39,691,400
Contractual services, supplies, and materials.....	4,248,600
Special project for the hearing impaired—30.0 FTE positions	1,289,300
GROSS APPROPRIATION	\$ 45,229,300
Appropriated from:	
State general fund/general purpose	\$ 45,229,300
REUTHER FACILITY-WAYNE COUNTY	
Average population.....	294.0
Full-time equated classified positions.....	454.0
Salaries and wages—454.0 FTE positions	\$ 14,618,500
Contractual services, supplies, and materials.....	1,372,400
GROSS APPROPRIATION	\$ 15,990,900
Appropriated from:	
State general fund/general purpose	\$ 15,990,900
TRAVERSE CITY REGIONAL PSYCHIATRIC HOSPITAL/ COMMUNITY ALTERNATIVES	
Average population.....	74.0
Full-time equated classified positions.....	255.0
Salaries and wages—255.0 FTE positions	\$ 8,191,200
Contractual services, supplies, and materials.....	618,600
GROSS APPROPRIATION	\$ 8,809,800
Appropriated from:	
State general fund/general purpose	\$ 8,809,800
YPSILANTI REGIONAL PSYCHIATRIC HOSPITAL	
Average population.....	361.0
Full-time equated classified positions.....	645.0
Salaries and wages—645.0 FTE positions	\$ 21,061,600
Contractual services, supplies, and materials.....	1,927,900
GROSS APPROPRIATION	\$ 22,989,500
Appropriated from:	
State general fund/general purpose	\$ 22,989,500
ARNELL ENGSTROM SCHOOL AT TRAVERSE CITY	
Average population.....	40.0
Full-time equated classified positions.....	116.0
Salaries and wages—116.0 FTE positions	\$ 4,019,900
Contractual services, supplies, and materials.....	127,900
GROSS APPROPRIATION	\$ 4,147,800

For Fiscal Year
Ending Sept. 30,
1990

Appropriated from:		
State general fund/general purpose	\$	4,147,800
DETROIT PSYCHIATRIC INSTITUTE-CHILDRENS PROGRAM		
Average population		12.0
Full-time equated classified positions.....		21.0
Salaries and wages—21.0 FTE positions	\$	698,400
GROSS APPROPRIATION	\$	698,400
Appropriated from:		
State general fund/general purpose	\$	698,400
FAIRLAWN CENTER AT CLINTON VALLEY CENTER		
Average population		125.0
Full-time equated classified positions.....		338.0
Salaries and wages—330.0 FTE positions	\$	11,447,000
Contractual services, supplies, and materials.....		396,600
Community-oriented staff—8.0 FTE positions		424,500
GROSS APPROPRIATION	\$	12,268,100
Appropriated from:		
State general fund/general purpose	\$	12,268,100
HAWTHORN CENTER		
Average population		118.0
Full-time equated classified positions.....		316.5
Salaries and wages—290.5 FTE positions	\$	9,437,900
Contractual services, supplies, and materials.....		603,400
Community-oriented staff—26.0 FTE positions		1,483,300
GROSS APPROPRIATION	\$	11,524,600
Appropriated from:		
State general fund/general purpose	\$	11,524,600
PHEASANT RIDGE CHILDREN'S CENTER AT KALAMAZOO		
Average population		43.0
Full-time equated classified positions.....		104.0
Salaries and wages—104.0 FTE positions	\$	3,671,700
Contractual services, supplies, and materials.....		188,800
GROSS APPROPRIATION	\$	3,860,500
Appropriated from:		
State general fund/general purpose	\$	3,860,500
YORKWOODS CENTER AT YPSILANTI PSYCHIATRIC HOSPITAL		
Average population		60.0
Full-time equated classified positions.....		121.0
Salaries and wages—121.0 FTE positions	\$	4,442,900
Contractual services, supplies, and materials.....		202,700
GROSS APPROPRIATION	\$	4,645,600
Appropriated from:		
State general fund/general purpose	\$	4,645,600
SPECIAL SERVICES FOR JUVENILE OFFENDERS		
Full-time equated classified positions.....		12.0
Special services for juvenile offenders—12.0 FTE positions.....	\$	795,600
GROSS APPROPRIATION	\$	795,600
Appropriated from:		
State general fund/general purpose	\$	795,600
STATE FACILITY REDUCTION FOR MENTALLY ILL ADULTS AND CHILDREN		
Full-time equated classified positions.....		(171.0)

	For Fiscal Year Ending Sept. 30, 1990
State facility bed reduction for mentally ill adults and children—(171.0)	
FTE positions	\$ (9,700,000)
GROSS APPROPRIATION	\$ (9,700,000)
Appropriated from:	
State general fund/general purpose	\$ (9,700,000)
CENTER FOR FORENSIC PSYCHIATRY	
Average population	210.0
Full-time equated classified positions	440.0
Salaries and wages—440.0 FTE positions	\$ 15,142,900
Contractual services, supplies, and materials	776,100
GROSS APPROPRIATION	\$ 15,919,000
Appropriated from:	
State general fund/general purpose	\$ 15,919,000
LAFAYETTE CLINIC	
Average population	107.0
Full-time equated classified positions	348.0
Salaries and wages—330.0 FTE positions	\$ 11,764,200
Contractual services, supplies, and materials	1,072,300
Research at Lafayette Clinic, including equipment—18.0 FTE positions	1,278,700
Psychology training program	137,100
Research for crack and severely mentally impaired	100,000
GROSS APPROPRIATION	\$ 14,352,300
Appropriated from:	
State general fund/general purpose	\$ 14,352,300
CARO REGIONAL MENTAL HEALTH CENTER- DEVELOPMENTAL SERVICES UNIT	
Average population	234.0
Full-time equated classified positions	459.0
Salaries and wages—484.0 FTE positions	\$ 13,853,500
Contractual services, supplies, and materials	671,500
Census reduction savings—(25.0) FTE positions	(884,800)
GROSS APPROPRIATION	\$ 13,640,200
Appropriated from:	
State general fund/general purpose	\$ 13,640,200
JOSEPH M. SNYDER MACOMB-OAKLAND REGIONAL CENTER	
Full-time equated classified positions	17.0
Salaries and wages—17.0 FTE positions	\$ 521,200
Contractual services, supplies, and materials	444,600
GROSS APPROPRIATION	\$ 965,800
Appropriated from:	
State general fund/general purpose	\$ 965,800
MOUNT PLEASANT CENTER FOR DEVELOPMENTAL DISABILITIES	
Average population	202.0
Full-time equated classified positions	401.0
Salaries and wages—416.0 FTE positions	\$ 12,297,800
Contractual services, supplies, and materials	1,491,000
Census reduction savings—(15.0) FTE positions	(540,600)
GROSS APPROPRIATION	\$ 13,248,200
Appropriated from:	
State general fund/general purpose	\$ 13,248,200
MUSKEGON REGIONAL CENTER FOR DEVELOPMENTAL DISABILITIES	
Average population	173.0
Full-time equated classified positions	383.0

	For Fiscal Year Ending Sept. 30, 1990
Salaries and wages—433.0 FTE positions	\$ 12,534,600
Contractual services, supplies, and materials.....	1,101,800
Census reduction savings—(50.0) FTE positions.....	(1,780,900)
GROSS APPROPRIATION	\$ 11,855,500
Appropriated from:	
State general fund/general purpose	\$ 11,855,500
NEWBERRY REGIONAL MENTAL HEALTH CENTER-	
DEVELOPMENTAL SERVICES	
Average population	56.0
Full-time equated classified positions.....	142.0
Salaries and wages—149.0 FTE positions	\$ 4,587,100
Contractual services, supplies, and materials.....	342,400
Census reduction savings—(7.0) FTE positions.....	(276,400)
GROSS APPROPRIATION	\$ 4,653,100
Appropriated from:	
State general fund/general purpose	\$ 4,653,100
OAKDALE REGIONAL CENTER FOR DEVELOPMENTAL	
DISABILITIES	
Average population	130.0
Full-time equated classified positions.....	449.0
Salaries and wages—513.0 FTE positions	\$ 15,627,900
Contractual services, supplies, and materials.....	1,190,400
Work activity program.....	382,800
Census reduction savings—(64.0) FTE positions.....	(2,410,000)
GROSS APPROPRIATION	\$ 14,791,100
Appropriated from:	
State general fund/general purpose	\$ 14,791,100
SOUTHGATE REGIONAL CENTER FOR DEVELOPMENTAL	
DISABILITIES	
Average population	174.0
Full-time equated classified positions.....	321.0
Salaries and wages—311.0 FTE positions	\$ 8,792,000
Contractual services, supplies, and materials.....	964,200
Adult activity center—10.0 FTE positions.....	780,400
GROSS APPROPRIATION	\$ 10,536,600
Appropriated from:	
State general fund/general purpose	\$ 10,536,600
WAYNE COMMUNITY LIVING SERVICES	
Full-time equated classified positions.....	203.0
Salaries and wages—203.0 FTE positions	\$ 6,825,400
Contractual services, supplies, and materials.....	348,700
GROSS APPROPRIATION	\$ 7,174,100
Appropriated from:	
State general fund/general purpose	\$ 7,174,100
SEC. 116 INPATIENT CARE AND ALTERNATIVE PROGRAMS	
Inpatient care and alternative program (pursuant to section 116 of Act	
No. 258 of the Public Acts of 1974, being section 330.1116 of the	
Michigan Compiled Laws).....	
GROSS APPROPRIATION	\$ (438,406,200)
Appropriated from:	
State general fund/general purpose	\$ (438,406,200)
REVENUE AND EXPENDITURE ADJUSTMENT	
Interdepartmental grant revenues:	
IDG-department of corrections	\$ 765,000

	For Fiscal Year Ending Sept. 30, 1990
Federal revenues:	
HHS-HCFA, title XIX	\$ 185,207,400
DAG-FNS, National school lunch program.....	775,000
Special revenue funds:	
1st/3rd party revenues	34,614,000
Miscellaneous revenue.....	200,000
Audit exception/cost settlement revenue	1,150,000
Departmentwide lapse revenue.....	4,459,500
Local county match revenues.....	37,463,900
State general fund/general purpose	\$ (264,634,800)

GENERAL SECTIONS

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this bill is \$926,052,600.00 and state spending to units of local government is as follows:

DEPARTMENT OF MENTAL HEALTH

Community mental health programs.....	\$ 330,328,800
Community mental health grant fund.....	4,500,000
Family support subsidies.....	11,194,100
Inpatient/residential care alternatives.....	9,700,000
Foster grandparents and senior companions.....	1,787,300
Prevention projects.....	2,929,000
Aftercare impact projects for the mentally ill.....	299,200
Mentally ill multicultural special needs program.....	2,563,500
Consumer involvement program.....	345,900
Mental health community services projects.....	929,900
Omnibus reconciliation act implementation.....	12,000,000
Supported employment	1,303,000
Section 116 - Mental health code.....	438,406,200
Total	\$ 816,286,900

(2) When it appears to the director of the department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter, the director shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 202. 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, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 203. The amounts appropriated for utilities and that portion of contractual services, supplies, and materials used to pay for utility service to state facilities in section 101 may be expended in a manner consistent with the provisions of section 253 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1253 of the Michigan Compiled Laws.

Sec. 204. As used in this act:

(a) "ADAMHA" means the United States department of health and human services, alcohol, drug abuse, and mental health administration.

(b) "ADP" means automated data processing.

(c) "CMH" means community mental health.

(d) "DAG-FNS" means the United States department of agriculture, food and nutrition services.

(e) "DED-OESE" means the United States department of education, office of elementary and secondary education.

(f) "DED-OESE (ECIA)" means the education consolidation and improvement act.

- (g) "Department" means the department of mental health.
- (h) "FTE" means full-time equated.
- (i) "HHS" means the United States department of health and human services.
- (j) "HHS-HCFA" means the health care financing administration.
- (k) "HHS-OASH" means the office of the assistant secretary for health.
- (l) "HHS-OHDS" means the office of human development services.
- (m) "ICF/MR" means intermediate care facility for the mentally retarded.
- (n) "IDG" means interdepartmental grant.
- (o) "IDT" means intradepartmental transfer.
- (p) "SSI" means supplemental security income.
- (q) "Title XIX" means title XIX of the social security act, 42 U.S.C. 1396 to 1396d, 1396f to 1396s.
- (r) "Title XX" means title XX of the social security act, 42 U.S.C. 1397 to 1397s.

Sec. 205. (1) On an annual basis, the department shall provide a report outlining the implementation of this act to the department of management and budget, chairpersons of the senate and house appropriations committees and the legislative auditor general. The report required by February 1, 1990 shall contain, but not be limited to:

- (a) The allocation of funds to each community mental health board by administration and general services and client group including program element detail, specifying program reductions or expansions, or both.
- (b) The acquisition of specific federal funds from the central fund for acquiring additional federal funds.
- (c) The revenue recapture project revenues and expenditure report.
- (d) Information regarding the amount and type of services provided by community mental health boards, specified by board, program element and disability, including but not limited to children, elderly and family support services.
- (e) The allocation of funds from residential services for basic care where clients are ineligible or unable to obtain social security insurance benefits and are incapable of self-support, for post-institutional care and to prevent admissions to state facilities.
- (f) Funds received from the state from community mental health boards as a result of audit exceptions, on a board-by-board basis.
- (g) The use of funds for plenary or partial guardianships.
- (h) The findings and recommendations of the advisory council for services to the deaf and hearing impaired.
- (i) Implementation of a plan for a centralized system of monitoring the release and placement of patients and residents from state institutions into community or other institutional settings, including returns to the patients' and residents' homes, and encompassing all aftercare and follow-up services.
- (j) Progress on development of referral and placement planning for all persons less than 18 years of age who are residing in or have been referred for admission to skilled, basic, or pediatric nursing homes.
- (k) Implementation of a policy that written plans for residential placement and aftercare services must precede expenditures of funds for residential services.
- (l) Analysis of its working patient program. The report shall describe the existing program, including who participates and the benefits of the program, and present a plan for expanding the program to other facilities.
- (m) Payments made in lieu of worker's compensation payments for wage/salary and related fringe benefits for employees who return to work under a limited duty assignment. The report shall include an identification of FTE position implications.

(2) The department shall provide a report on contractual services to the department of management and budget and to the chairpersons of the senate and house appropriations committees each month. The report shall be based on the monthly civil service statewide contracted services report required by section 281 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1281 of the Michigan Compiled Laws. The report shall provide the name of the contractor, the dollar value of the contract, description and location of the service to be provided, and justification for the contract.

(3) On or before January 31, 1990, and within 30 days before the end of each succeeding quarter, the department shall report to the department of management and budget, the senate and house appropriations subcommittees on mental health, and the senate and house fiscal agencies on the estimated and actual number of medicaid eligible clients served and the estimated and actual amount of title XIX revenues claimed for each program, activity, or facility under the jurisdiction of the department of mental health.

Sec. 206. Agencies contracting with county community mental health boards or the department of mental health shall provide 3 days' notice to the community mental health board or the department of mental health of all committee and full board meetings and shall conduct all portions of meetings pertaining to community mental health board or department funded programs in the same manner as required for meetings of public bodies under the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

Sec. 207. The legislature hereby urges the governor to revise the 1989-90 executive budget recommendation, such revisions as authorized by section 368 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1368 of the Michigan Compiled Laws, to include necessary financing and funding requirements to fully support the compensation increases for state employees as approved by the civil service commission in accordance with section 5 of article XI of the state constitution of 1963.

Sec. 208. Funds receivable from cost settlement of 1986-87 and 1987-88 intermediate care facilities for the mentally retarded and alternative intermediate services for the mentally retarded are restricted and carried forward to 1989-90 mental health programs and shall not be used to finance 1988-89 programs.

EXECUTIVE OFFICE

Sec. 301. Funds appropriated in section 101 from the central fund for acquiring additional federal grant funds shall not be expended until the grant money is actually authorized by the grantor. Funds accepted under this section shall not be authorized if the receipt of the funds mandates a commitment for state funding at a future date.

Sec. 302. (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. 303. The department's ability to satisfy appropriation deductions in section 101 shall not be limited to collections and accruals pertaining to services provided in fiscal year 1989-90, but shall also include reimbursements, refunds, adjustments, and settlements from the prior 2 years.

Sec. 304. (1) With the approval of the senate and house appropriations subcommittees on mental health, the director of the department may establish a discretionary fund not to exceed 5% of the sum of the amounts of funds appropriated in section 101 for the operation and support of executive programs, community mental health, institutional operations, residential services, revenue and expenditure reduction adjustments, and community mental health medicaid revenues.

(2) The director of the department may allocate expenditure authorization amounts from the discretionary fund to departmental institutions, community mental health boards, or for family support subsidy payments. These funds may be used to achieve or maintain certification for federal title XIX benefits, to equalize and maximize staffing needs assessment project ratios, to expedite the transition of responsibility for services to community mental health boards, and to minimize the utilization of state inpatient services.

(3) The director of the department may also allocate revenue amounts from the discretionary fund for the revenue and expenditure adjustment section including HHS-HFCA, Title XIX, DAG-FNS, national school lunch program, first/third party revenues, miscellaneous revenues, and local county match revenues into another revenue account listed in this section, and into community mental health medicaid revenue accounts.

Sec. 305. Funds appropriated in section 101 for the mental health advisory council may be used for member per diems of \$50.00 and other council expenditures with approval of the council and the director of the department of mental health. Funds may also be used for the expenses of the state mental health advisory council on deafness.

Sec. 306. Unexpended and unencumbered amounts and accompanying expenditure authorizations remaining on September 30, 1990 from the amounts appropriated in section 101 for federal block grants in community mental health programs, gifts, and bequests in the institutional services program, special

maintenance program, and the developmental disabilities programs shall carry forward for 1 fiscal year after which they will lapse. Unexpended and unencumbered amounts remaining on September 30, 1990 from the amounts appropriated in section 101 for staff to the council for developmental disabilities shall transfer to and be carried forward in the developmental disabilities projects grants at accounting line 110-39-2422.

Sec. 307. Funds appropriated in section 101 may be used for provision of plenary or partial guardianships of the person by way of contract with 1 or more nonprofit agencies. Expenditures and allocations may be authorized for community mental health boards, state facilities, or both, for the purposes described in this section.

Sec. 308. (1) From funds appropriated in section 101 for departmental administration and management, the department shall develop by September 30, 1990 a long-range public mental health service delivery plan that addresses the responsibilities of the public mental health system as follows:

(a) An analysis and reexamination of the unification of the public mental health single entry and single exit community-based service delivery system.

(b) An analysis of service delivery expectations and responsibilities, and service capacity priorities.

(c) An analysis of the impact of other human services systems on public mental health system clients.

(d) An identification and prioritization of the need for mental health services and the cost of meeting that need.

(e) An analysis of the training requirements for public mental health system employees and a plan for addressing those requirements.

(f) An identification of the public mental health system work force needs including employment projections and plans to assist employees in programs that are projected to downsize.

(g) A facility utilization plan including projections for planned utilization and associated capital outlay requirements.

(2) The long-range public mental health service delivery plan and interim progress reports shall be submitted to the senate and house appropriations subcommittees on mental health and shall be reflected in the department's annual management plan submission.

Sec. 309. Revenues appropriated in section 101 as audit exception/cost settlement revenues are revenues recovered by all methods from department contract audit settlements and contract cost settlements of prior fiscal years.

Sec. 310. (1) The department of mental health shall provide periodic reports concerning the department's revenue and expenditure status to the auditor general, the senate fiscal agency, the house fiscal agency, and the department of management and budget.

(2) The department of management and budget shall convene a work group consisting of staff from the department of management and budget, the department of mental health, the senate fiscal agency, and the house fiscal agency. The work group shall review and determine mutual information requirements, determine the availability of data, determine the costs incurred in providing the recommended information, and develop a reporting format, report content, and due date recommendations for compliance with subsection (1).

(3) The work group shall also develop recommendations as to necessary accounting and appropriation structure revisions.

(4) The work group shall prepare a report detailing and explaining its recommendations made pursuant to subsections (2) and (3). The report shall be submitted to the auditor general for review and comment not later than November 30, 1989, and shall be published by submission to the legislature not later than December 31, 1989.

Sec. 311. (1) The departments of mental health, public health, social services, and transportation, and the office of services to the aging within the department of management and budget, shall develop a system to identify and collect the following information for each county:

(a) All operational and capital costs of services provided, contracted for, or purchased, to transport clients or program participants within the county, including all other funds received and expended for those purposes by the department.

(b) Population groups utilizing transportation services and what percentage of the total each population group is.

(c) Services received through transportation provided by percentages of the dollar total.

(d) All funding sources for transportation and amounts from each source.

(e) Provide the existence of interagency or countywide transportation planning or coordination and the extent to which each state department participates, if known.

(2) A model form shall be obtained from the department of management and budget after September 1, 1989, for the purpose of providing the information required in subsection (1).

(3) By December 31, 1989, the department shall report to the house and senate appropriations subcommittees on mental health on the development of the system required in subsection (1).

(4) The information collected for fiscal year 1989-90 shall be submitted by each department, by December 31, 1990, to the house and senate appropriations subcommittees and the department of management and budget.

SPECIAL PROJECTS

Sec. 401. Funds appropriated in section 101 for mentally ill/mentally retarded mental health services may be utilized for direct care and indirect care staff in the centers for the developmentally disabled and community programs. The staff shall provide specialized services for diagnosis and treatment of developmentally disabled children or adults who are also determined to be mentally ill and in need of specialized services.

Sec. 402. Funds appropriated in section 101 for protection and advocacy services for developmentally disabled persons shall be used as specified in section 931 of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1931 of the Michigan Compiled Laws. The department shall provide a reasonable amount of office space within state institutional facilities without charge.

Sec. 403. Funds appropriated in section 101 for the consumer involvement program may include mileage and telephone expenses incurred when assisting the department and the legislature, and shall be utilized in part to replicate the concept of "project stay" and other successful services projects operated by consumers.

Sec. 404. Funds appropriated in section 101 for the foster grandparent and senior companion program contract with the office of services to the aging shall be used to maintain and expand foster grandparents' and senior companions' services for developmentally disabled persons in state facilities and community residential settings. Funds shall also be used to provide senior companion services for developmentally disabled persons and the elderly chronically mentally ill.

Sec. 405. Funds appropriated in section 101 for pilot projects in prevention for mentally ill adults and mentally ill children shall include \$100,000.00 for projects to provide mental health services in communities where job loss due to plant closings is anticipated.

Sec. 406. Funds appropriated to the department of mental health for the fiscal year ending September 30, 1990 for mental health staff training include up to \$75,000.00 to provide training or education funds, or both, to enable resident care aides to qualify for licensed practical nurse or other civil service classifications as required by provisions of the American federation of state, county, and municipal employees contract.

Sec. 407. Funds appropriated in section 101 for special projects for Alzheimer's and related disorders training and referral projects may include training for nursing home personnel, home health care providers, nurses, nurse aides, and family caregivers in the nature and progression of the disease, with the goal of reducing stress, teaching behavior management techniques, and making referrals for appropriate services. Funds may also be used to establish adult day care, respite care, and crisis intervention pilot projects pursuant to sections 950 to 953 of the mental health code, Act No. 258 of the Public Acts of 1974, being sections 330.1950 to 330.1953 of the Michigan Compiled Laws.

Sec. 408. The Michigan protection and advocacy service, inc. shall file for attorney's fees in applicable cases from litigants. Any awards made for this purpose shall be deposited in a special fund account and allocated for services to the developmentally disabled or mentally ill upon recommendation of the director and approval of the senate and house appropriations committees.

Sec. 409. The funds appropriated for mental health community services under special projects shall be used first to fund a pilot treatment program for emotionally disturbed sex abusers and shall provide continuation funding up to \$100,000.00 for the statewide networking, planning, assessment, and information sharing project for emotionally disturbed adolescent sex abusers based upon an evaluation of the fiscal year 1988-89 program and the approval of the director.

Sec. 410. The funds appropriated for the mental health initiatives for older persons in the special projects appropriation unit are to be allocated with the participation of the office of services to the aging and the network of area agencies on aging. In coordinating departmental projects with the office of services to the aging for care management projects, the department is authorized to pass through funds to the office of services to the aging for augmentation of these care management projects when they are focused on supporting elderly individuals with mental illness or Alzheimer's or related types of mental functioning problems subject to the joint approval of the directors of the department and the office of services to the aging.

Sec. 411. Unexpended and unencumbered amounts and accompanying expenditure authorizations remaining on September 30, 1989 from the amounts appropriated in section 101 for the Stuart B. McKinney homeless assistance act shall carry forward until the project is completed.

Sec. 412. (1) The funds appropriated in section 101 for the developmental disabilities dental program are intended for the following purposes:

(a) To establish and administer a treatment fund to underwrite the costs of dental care for developmentally disabled individuals who have no ability to pay and for which medicaid coverage or other payment or reimbursement mechanisms are not available.

(b) To initiate and maintain a pilot nursing home program that will provide dental hygiene prevention and training to those developmentally disabled clients residing in nursing homes under contract with the department.

(c) To provide education, consultation, and technical assistance to dental care students and community practicing professionals to enhance the access of developmentally disabled individuals to generic, community based dental care.

(d) To provide training for community based residential care staff in implementing an adequate dental hygiene program for developmentally disabled residents.

(e) To develop and make available a parent education and training program in relation to dental care for developmentally disabled family members.

(2) Funds may also be used to enable an orderly transition from operating the current program to implementing the purposes described in subsection (1).

Sec. 413. Funds appropriated in section 101 for supported employment may be used for supported employment or transitional employment programs for state hospital residents as part of a discharge and aftercare plan.

Sec. 414. From the funds appropriated in section 101 for mentally ill/substance abuse mental health services, up to \$100,000.00 is intended to be used to establish a pilot project for persons who are mentally ill and substance abusers. Use of these funds is subject to development of a program plan approved by the department, local substance abuse agency, and the county community mental health board and subject to additional funding through the board's use of full management trade-off funding and substance abuse agency funding. The pilot program is intended to serve persons who would otherwise be admitted to state psychiatric hospitals.

COMMUNITY MENTAL HEALTH

Sec. 501. (1) The community mental health services appropriations, in addition to funds appropriated for inpatient care and alternative programs pursuant to section 116 of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1116 of the Michigan Compiled Laws, are based on the following estimates:

(a) Adjusted appropriation during the fiscal year beginning October 1, 1989.....		\$	324,809,700
CMH services for mentally ill adults.....	\$	143,504,700	
CMH services for mentally ill children.....		44,249,200	
CMH services for the developmentally disabled.....		113,735,600	
CMH administration and general services.....		23,320,200	
(b) Base program adjustments.....			34,599,800
CMH services for mentally ill adults.....	\$	26,093,400	
CMH services for mentally ill children.....		1,837,600	
CMH services for the developmentally disabled.....		5,773,800	
CMH administration and general services.....		895,000	

		For Fiscal Year Ending Sept. 30, 1990
(c) Full management contract boards trade-off earnings.....	\$	12,002,400
(d) Economic increases		3,634,100
COMMUNITY MENTAL HEALTH PROGRAMS LINE ITEM TOTAL.....	\$	375,046,000
(e) Community mental health services:		
CMH services for mentally ill adults.....	\$	180,361,200
CMH services for mentally ill children.....		47,362,700
CMH services for the developmentally disabled		122,860,500
CMH administration and general services		24,461,600
(f) Family support subsidies:		
Fiscal year 1989 base	\$	10,223,000
Base adjustments.....		971,100
Family support subsidies total	\$	11,194,100
(g) Federal block grant.....		5,307,800
(h) Community mental health grant fund.....		4,500,000
(i) Community residential services		6,362,700
Fiscal year 1989 base		1,624,800
Base changes		4,674,900
Economic increases		63,000
(j) Omnibus reconciliation act implementation.....		27,566,700
Total community mental health services.....	\$	429,977,300
(k) Source of financing:		
Title XIX federal financing:		
Fiscal year 1988-89 base revenues.....		38,714,900
Omnibus reconciliation act implementation.....		15,566,700
Federal match change.....		(81,300)
Economic increases		446,300
Client category expansion.....		12,000,000
Subtotal Title XIX offsetting revenues and expansions		66,646,600
HHS-OASH, alcohol, drug abuse, mental health block grant		5,307,800
Recipient fees and third-party reimbursement		4,500,000
Net estimated general fund/general purpose for community mental health services.....	\$	353,522,900

(2) Funds allocated in section 101 for community mental health include the continuation of transportation services, funded 100% with state funds and include title XX transitional grants.

(3) In addition to the funds appropriated in section 101 for community mental health services, there is appropriated \$8,000,000.00 in additional federal clinic services program funding sources. It is intended that the community mental health boards maximize federal funding sources. CMH boards shall retain, contingent upon actual earnings, the amount of increased federal funds above the amounts authorized in the billable services fiscal year ending September 30, 1989 contracts. State funding provided in each CMH board's contract shall not be altered as a result of implementation of this section.

(4) If anticipated title XIX federal revenue for CMH services is not sufficient to fund CMH programs, the department shall request either a discretionary or legislative transfer of funds up to the amount of the deficiency or request a supplemental appropriation of funds up to the amount of the deficiency for the purpose of maintaining these CMH services.

Sec. 502. (1) The department shall ensure that county CMH boards which have been designated as having full management authority and responsibility and state facilities enter into contracts which establish the county CMH board as the single point of entry and exit for residents of the board's service area. Each contract between a full management board and a state facility shall specify, at a minimum, the board's authority and responsibility for all of the following:

(a) Evaluating the appropriateness of an individual for admission and the preparation of an alternative treatment report.

(b) Serving as the single point of entry to a state facility for residents of the board's service area.

(c) The participation of the board's designees in providing treatment.

(d) The discharge of residents from the board's service area at the time and in the manner determined by the board.

(2) The department shall contract with community mental health boards for the purpose of coordinating

community mental health board services with state inpatient psychiatric care. The contract provisions shall include, but are not limited to, all of the following:

- (a) Screening of admissions.
- (b) Criteria for admission.
- (c) Development of a plan for service.
- (d) Coordination of services during inpatient care.
- (e) Discharge planning.
- (f) Aftercare services.
- (g) Prevention.
- (h) Provision of MI adult activity therapy services.

(3) Up to 30% of funds appropriated in section 101 for day activity therapy services shall be used to establish pilot projects in 1 or more facility catchment areas for which county CMH boards are the providers of these services. The department shall inform county CMH boards as to when and how this funding shall be made available and shall provide a report to the senate and house appropriations subcommittees on mental health on the implementation of this section by March 31, 1990.

Sec. 503. (1) The funds appropriated in section 101 for contract community mental health boards are for the purchase of state facility inpatient services or for approved community-based programs which reduce utilization of state provided inpatient services below this appropriated level. These funds shall be allocated to contract community mental health boards based on estimates approved by the department as part of the negotiated contract.

(2) Funds which are allocated to these contract community mental health boards, when used to purchase state facility inpatient services, shall be provided to state facilities based on the per diem and billing arrangements approved by the department in the negotiated contract.

(3) The department shall have administrative authority to transfer funds that are allocated for state inpatient care, but not expended due to the utilization of state inpatient services below planned levels. Transferred funds shall be placed in a shared management fund account. The department may distribute money in the shared management fund account to eligible community mental health boards with shared management contracts with the department for departmentally approved community-based programs if the actual utilization of state inpatient services is lower than the planned utilization as defined by contract provisions. The shared management fund account balance shall carry forward at the end of the fiscal year.

Sec. 504. (1) From funds appropriated in section 101, final allocations to community mental health boards shall be made upon the execution of a contract between the department and each community mental health board. The contract shall contain an approved plan and budget as well as the policies and procedures governing the obligations and responsibilities of both parties to the contract.

(2) The department may make preliminary allotments to individual community mental health boards which have indicated in writing to the director of the department their intent to negotiate a contract for the fiscal year ending September 30, 1990.

(3) The director shall provide a community mental health board with an opportunity for a hearing if the individual community mental health board and the department fail to negotiate and execute a contract by March 1 of the fiscal year ending September 30, 1990.

(4) The funds appropriated in this act for community mental health programs shall not be used to replace funds no longer available because the local government or community mental health board reduced its base of support for state and local mental health services, as defined in chapter 2 of the mental health code, Act No. 258 of the Public Acts of 1974, being sections 330.1200 to 330.1246 of the Michigan Compiled Laws, below that of the previous year.

(5) If a specific community mental health board cannot utilize its state allotment, the director of the department may adjust the allotment and transfer those funds to other community mental health boards which have demonstrated a need for additional fiscal resources.

Sec. 505. (1) The funds appropriated in section 101 for inpatient care and alternative programs shall be allocated to community mental health boards under a formal contract with the department. The spending plans, authorizations, and allocations for each community mental health board shall be determined by the department central office staff, in cooperation with community mental health boards.

(2) If a community mental health board has not indicated the willingness or capacity to accept the shift of responsibility as provided in subsection (1), the community mental health board may enter into a contract with the department which provides that clients of the community mental health board in a state facility shall

continue to be served by the department, which shall retain full allocation authority on behalf of the community mental health board for state facility services.

(3) Within the provisions of this section, the department may enter into a formal contract with a community mental health board for shared management of the provision of state facility services to a client who is a resident of the county served by the community mental health board.

(4) Current billing and collection procedures for the net cost of state provided services shall continue as specified in chapter 3 of the mental health code, Act No. 258 of the Public Acts of 1974, being sections 330.1300 to 330.1320 of the Michigan Compiled Laws.

(5) With the exception of funds allocated to community mental health boards, the department shall have administrative authority to transfer funds from the appropriation authorized in section 101 to satisfy but not exceed state facility deduct amounts.

(6) The department may access funds from this appropriation directly for patients who have no county affiliation or for whom county charges are exempted.

(7) The shift of funds to the counties shall not result in increased costs to counties in excess of the local match required under section 302 of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1302 of the Michigan Compiled Laws.

Sec. 506. Funds appropriated in section 101 for federal block grants shall provide continuation funding for community mental health board programs and do not assume any reductions in federal funding. If reductions in the department of mental health allotment of federal ADAMHA block grant funds occur, it is the intent of the legislature that the amount of the reduction be implemented through a pro rata reduction applied to all community mental health board contracts and departmental operations in the amount of the block grant reduction.

Sec. 507. Subject to guidelines issued by the department, funds appropriated in section 101 for community mental health operations for developmentally disabled family support services may be used for family friend respite care services in which the community mental health board provides respite care funds directly to the family for their purchase of respite care services from individuals other than family members.

Sec. 508. The department of mental health shall develop a coordinated approach to recruitment of qualified mental health professionals to serve within the county community mental health system. Objectives of the project shall include all of the following:

(a) Provision of information to state colleges and universities on public mental health services for inclusion in curriculum development, development of field placement and practicum experiences, and recruitment of new graduates into the CMH system.

(b) Development of a centralized listing of professional staff vacancies which exist within the system and a coordinated approach to recruit professional staff to fill those vacancies.

Sec. 509. The department shall establish a process for the design and implementation of mechanisms and arrangements to assure the long-term viability of a single entry and single exit locally controlled comprehensive CMH system. The department shall ensure the involvement of representatives from the CMH system, the legislature, and the executive department in this process. The department, in collaboration with representatives of the CMH system, shall propose to the legislature and the governor changes in the law, administrative rules, accounting and budgeting mechanisms, and appropriations which appear to be necessary and desirable in achieving the goal of a stable, viable, and comprehensive CMH system vested with authority and responsibility for managing and providing a full array of public mental health services.

Sec. 510. CMH boards may, consistent with generally accepted accounting principles, establish accounts payable to finance known costs such as anticipated court judgments and settlements, audit exceptions, and other 1-time costs.

Sec. 511. (1) The department shall prepare a report of the per capita expenditures of each CMH board for services to both of the following groups:

(a) Mentally ill adults and children.

(b) Developmentally disabled adults and children.

(2) The report shall review such expenditures for the 1985, 1986, and 1987 fiscal years, and include recommendations for equalizing the distribution of funds appropriated to CMH boards for CMH services.

(3) The report shall be provided to the department of management and budget and to the house and senate subcommittees on mental health prior to April 1, 1990.

Sec. 512. Funds appropriated in section 101 for community mental health programs may be used to provide technical assistance, training, and support aimed at development of a comprehensive range of community-based services for the seriously mentally ill. These funds shall promote availability of and access to a comprehensive range of alternative services provided in integrated community settings which enable the client to function in those settings as independently as possible. The range of alternative community services would be available based on the changing needs and treatment goals of the client and would include services such as assertive community treatment programs, supported independence programs, crisis housing services, and work opportunities for persons with serious mental illness. The program shall do all of the following:

(a) Identify the elements of a continuum of community-based services for the seriously mentally ill which are alternatives to state psychiatric hospital programs and assess the presence of these elements across the state, and promote model alternative community treatment systems.

(b) Reduce length of stay at state psychiatric hospitals through increased use of alternative and combined orders and expansion of private psychiatric hospital contracts. The program shall train community mental health state facility liaison staff in the full use of combined and alternative treatment orders and in developing successful and functional liaison arrangement with courts, state facilities, and local law enforcement entities.

(c) Provide technical assistance to county community mental health boards in expanding community-based services for the seriously mentally ill through redirected funding and exploration of alternative sources of revenue.

(d) Promote networking among community mental health boards to enhance service delivery, provide information and training to community mental health staff on services to the seriously mentally ill, develop an organized means of sharing of information among service providers regarding model programs, and improve community understanding of mental illness and availability of appropriated services. The department shall report by March 31, 1990 to the house and senate appropriations committees and to the department of management and budget on progress in implementing this section.

Sec. 513. (1) Funds appropriated in section 101 for community mental health services may be reserved and carried forward into the subsequent fiscal year by county community mental health boards as part of a planned strategy to assist in dealing with base reductions and unfunded economic increases.

(2) Funding reserved for base program reductions and unfunded economic increases shall be limited to the difference between the cost of continuing existing community mental health services in the subsequent fiscal year and the level of funding available, and shall be reserved as part of a plan submitted and approved by the department by the end of the third quarter.

(3) Conditions under which funding may be reserved include all of the following:

(a) The plan shall not alter or amend provisions of the contract between the department and county community mental health boards regarding protection of categorical funding.

(b) An expenditure made from a reserve account does not change a board's base allocation or create a full year cost obligation for the department.

(c) County community mental health boards shall report on the amount and source of the carry forward and the amount and purpose of expenditures from reserve accounts to the department.

(d) Funding carried forward and not used for the stated purpose shall lapse to the state general fund.

(4) Utilization of this capacity shall be assessed and reported to the house and senate appropriations committees and the department of management and budget by July 1, 1990.

COMMUNITY RESIDENTIAL SERVICES

Sec. 601. Funds appropriated in section 101 for residential services support staff may be used to provide resource assistance for community placement and home development activities, through allocation to or by contract with county community mental health boards, or through state facilities, or other placement entities established by the department.

Sec. 602. The funds appropriated in section 101 for community residential services programs may be used for basic care in cases where individuals are not eligible to receive social security benefits and are not otherwise capable of supporting themselves out of their own resources. Funds may be used for purposes of aftercare or to prevent admissions to state facilities through residential and support services. Expenditures and allocations may be authorized for community mental health board or state facilities, or both.

Sec. 603. (1) The department shall establish community advisory committees for alternatives to institutional care and for community living facilities funded under section 101.

(2) The department shall develop uniform standards and policies regarding the financing and procurement of furnishings and equipment for residential programs. Any furnishings and equipment purchased with state funds shall be inventoried as state property. If the full amount of the funds advanced for purchase of the furnishings and equipment are not used for that purpose, the excess funds shall be returned to the department.

(3) Funds appropriated in section 101 shall be used to maintain an office of community residential services to coordinate, monitor and provide management oversight for home development and residential services activities conducted by the department and by community mental health boards. This office shall oversee the development and implementation of policies and procedures to be used by the department and community mental health boards as part of the process of development of community based specialized residential facilities.

(4) The office of community residential services shall monitor group home lease agreements to ensure that state payment is reasonable. It is the intent of the legislature that after October 1, 1989, the rate of return to an investor (lessor) shall not exceed 9% of cash equity based on a fair market appraisal for community living facility (CLF), existing structure, new/never before negotiated state leases. In no event shall the amount of return exceed \$3,000.00 per year, exclusive of operating and maintenance expenses. Structural, warranties, and mechanical items shall be the responsibility of the lessor. The alternative intermediate services (AIS) program will continue to operate under current guidelines.

(5) Funds appropriated in section 101 for residential services shall not be used for a new placement unless the department has obtained, before the placement, a written plan for residential placement and aftercare services which is sufficient to meet the needs of the individual. The development of a plan shall involve the department of social services, appropriate state mental health institutional staff, and appropriate community mental health boards' staff in prerelease planning and approval of the plan.

(6) Placement of a developmentally disabled person from a state center for the developmentally disabled shall not occur unless the care to be received in the community setting will be at least as good as the care being received in the institution. The need of an individual for close supervision for medical reasons and for readily available medical backup 24 hours per day shall be considered in determining the quality of care. In the case of an individual with close family relationships, the placement shall not diminish family access to the individual.

(7) Funds appropriated in section 101 for the executive program shall be used for the development of a centralized system for monitoring the release and the placement of patients and residents from state institutions into community or other institutional settings, including returns to the patients' or residents' homes, and monitoring the provision of all aftercare and follow-up services by an agency providing those services in accordance with standards of the department for a period of not less than 1 year.

(8) The funds appropriated in section 101 for residential services programs may be used to maintain and improve residential and support services, aftercare programs, and residential and support services designed to prevent admissions to state facilities. Expenditures and allocations may be authorized for CMH boards, state facilities, or both, for the purposes described in this section.

Sec. 604. Funds appropriated in section 101 for private nursing homes and alternative services programs for the mentally retarded support services may be used to finance case management services, ancillary medical services, equipment not covered by medicaid, vacant bed penalty payments, conversion costs, and departmental administrative staff not to exceed 5 FTE positions.

Sec. 605. The department shall not enter into new contracts with private attorneys for legal services for the purposes of gaining and maintaining occupancy to a specialized residential facility. The department may enter into a contract with the protection and advocacy service, authorized under section 931 of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1931 of the Michigan Compiled Laws, or a similar organization to provide legal services for purposes of gaining and maintaining occupancy in a specialized residential facility which is under lease or contract with the department or a community mental health board to provide services to developmentally disabled persons or mental health recipients. State funds shall not be used for legal services to represent private investors purchasing homes for these purposes.

Sec. 606. Funds appropriated in section 101 for residential services may be used to make payments to the state housing development authority for in-home support services assumed by the state housing development authority through agreement with the department.

Sec. 607. (1) The department shall maintain in cooperation with the department of social services and the department of public health a mechanism to refer all persons less than 18 years of age who meet the criteria in section 500(h) of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1500 of the Michigan Compiled Laws, and who are residing in or have been referred for admission to skilled, basic, or pediatric nursing homes.

(2) Upon determination of appropriateness for services, the department shall provide client services management and develop alternative residential services as appropriate. Funds allocated in section 101 for residential services and residential services support may be utilized for this purpose.

Sec. 608. The department of mental health shall pay the same rate for all department contracted child caring institutions and child placing agencies as established by the department of social services, office of children and youth services. If community residential services funding is insufficient for this purpose, then the department of management and budget in conjunction with the department of mental health shall report this information to the senate and house appropriations subcommittees on mental health along with recommendations for complying with this section.

INSTITUTIONAL SERVICES AND FACILITIES

Sec. 701. The shift of funds to any county for inpatient care and alternative programs pursuant to section 116 of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1116 of the Michigan Compiled Laws, shall not alter the relationship existing on the effective date of this act between Hawthorn center and services provided to residents of this state. The director of the department shall notify the legislature of any violations of this section.

Sec. 702. (1) The department may charge rent to state or other tenants occupying space in any of its facilities. The rental rates and all leasing arrangements shall be subject to the approval of the department of management and budget and the state administrative board. Revenues received under this section shall be available for expenditure by the department for maintenance, renovation, administrative expense associated with the leased space and for other departmental expenditures. Unexpended and unencumbered amounts remaining on September 30, 1990 from the amounts appropriated in section 101 for the lease/rental program shall carry forward for 1 fiscal year after which time they shall lapse.

(2) In order to assist with the implementation of Act No. 117 of the Public Acts of 1986 and to assure that county community mental health boards are able to provide the proper liaison and client services management assistance to county residents of state facilities, the department shall ensure that adequate office space is made available on the grounds of state facilities at no cost to counties whose residents are cared for at those facilities.

Sec. 703. Funds appropriated in section 101 for facilities for the mentally ill and developmentally disabled are intended to maintain direct care staffing levels phased toward staffing needs assessment project standards, for facilities for mentally ill adults, developmentally disabled persons, and mentally ill children.

Sec. 704. The operation of the power plant at the Kalamazoo state hospital shall be financed from charges to the appropriations to the Kalamazoo state hospital and western Michigan university, which charges shall be based upon the cost of the power plant and upon the usage of heat and electrical power by the hospital and the university.

Sec. 705. The funds appropriated in section 101 for on-site mental health services to residents of Maxey and Adrian training schools shall provide for mental health clinical services including diagnosis, treatment, and consultation. The funding shall also be used to provide in-service training for staff members of both facilities.

Sec. 706. Funds appropriated in section 101 for state facility operating maintenance projects which have been approved by the department of management and budget shall carry forward for 1 fiscal year to enable completion.

Sec. 707. Transfer of the Wayne community living services agency to the Detroit-Wayne community mental health board is contingent upon the following:

(a) Completion of a transition, service, and funding plan by the Detroit-Wayne community mental health board which addresses all aspects of the services, administration, and staffing, and submission of the plan to the department.

(b) Approval of the plan by the department.

(c) Legislative appropriation of funds sufficient for state assumption of the additional state costs of the specialized residential services as a result of the transfer of Wayne community living services to the Detroit-Wayne community mental health board pursuant to section 309 of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1309 of the Michigan Compiled Laws.

(d) It is the intent of the legislature that this transfer take effect when all program, employee, and fiscal issues have been resolved and approved by the house and senate appropriations subcommittees on mental health.

Sec. 708. In addition to the amounts appropriated in section 101, revenues from the sale of sheltered workshop services and products are appropriated to be expended for supplies, equipment, and other costs associated with the maintenance of the sheltered workshop program, excluding costs of compensating state classified employees. The unspent balance on the last day of the fiscal year ending September 30, 1990 shall be carried forward into the subsequent fiscal year.

Sec. 709. Funds appropriated in section 101 for gifts and bequests include patient trust fund revenues and pay telephone revenues to be allocated for patient living unit furnishings, recreational, and vocational materials and supplies.

Sec. 710. From the funds appropriated in section 101, \$50,000.00 shall be used to construct a fence and necessary landscape at the Northville regional psychiatric hospital for the purpose of completing enclosure of the hospital grounds.

Sec. 711. (1) It is the intent of the legislature that a psychiatric residency program be established at the Arnell Engstrom children's psychiatric hospital at Traverse City in conjunction with an accredited department of psychiatry and the community mental health boards in the Arnell Engstrom catchment area. This program shall be implemented in the 1989-90 fiscal year and is intended to improve program services for children and design innovative training programs that will enhance the supply of American trained child psychiatrists for the public mental health system.

(2) Funds appropriated in section 101 include up to \$400,000.00 for this psychiatric residency training program.

(3) From the funds appropriated in section 101 for Arnell Engstrom children's psychiatric hospital, up to \$75,000.00 is intended to conduct a study to be performed by an external consultant. This study will determine how best to effect a cooperative effort between a university department of psychiatry, the northern Michigan area community mental health boards, and the Arnell Engstrom children's psychiatric hospital.

WORKER'S COMPENSATION

Sec. 801. (1) The worker's compensation appropriation to the department of mental health for the fiscal year ending September 30, 1990 is based on the following estimates:

(a) Central office.....	\$	169,900
(b) Clinton valley center		528,900
(c) Coldwater mental health center		509,600
(d) Detroit psychiatric institute		167,500
(e) Kalamazoo regional psychiatric hospital		823,700
(f) Northville regional psychiatric hospital		1,680,600
(g) Reuther facility.....		423,000
(h) Traverse City regional psychiatric hospital		330,900
(i) Ypsilanti regional psychiatric hospital		1,008,000
(j) Fairlawn center at Clinton valley.....		54,200
(k) Hawthorn center.....		138,900
(l) Pheasant ridge children's center at Kalamazoo.....		36,300
(m) Arnell Engstrom school at Traverse City.....		76,500
(n) Yorkwoods center at Ypsilanti psychiatric hospital.....		89,600
(o) Center for forensic psychiatry		390,500
(p) Lafayette clinic		83,700
(q) Caro regional mental health center		356,700
(r) Joseph M. Snyder Macomb-Oakland regional center		271,300
(s) Mt. Pleasant center		799,800
(t) Muskegon regional center		455,400
(u) Newberry regional mental health center.....		1,038,300
(v) Oakdale regional center		683,800
(w) Southgate regional center		278,400
(x) Wayne community living services		10,300
(y) Closed mental health facilities		387,200
Total state general fund/general purpose for unemployment worker's compensation	\$	10,793,000

(2) From funds appropriated for worker's compensation, the department of mental health 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. Employees returning to work under limited duty assignments and who are funded under this subsection will be in addition to the facility's existing staffing authorization.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.