

No. 58
JOURNAL OF THE SENATE

Senate Chamber, Lansing, Wednesday, June 21, 2000.

9:30 a.m.

The Senate was called to order by the Associate President pro tempore, Senator Jackie Vaughn III.

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

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

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

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

Senator Kenneth R. Sikkema of the 31st District offered the following invocation:

Our Father and our God, You have said through the prophet Jeremiah, "Call to me and I will answer you and tell you great and unsearchable things that you do not know." This morning we take that promise and call on You. We rest on Your promise that You will answer us and show us possibilities that we cannot even imagine. We ask You to open our hearts and minds to the possibilities of our positions here in the Senate and the possibilities that are presented to us for public service. Open our hearts and minds to the possibilities of working together without regard to partisan affiliation. This and more we ask in Your name. Amen.

Senators Emmons, Jaye, Dunaskiss, Goschka and V. Smith entered the Senate Chamber.

Motions and Communications

The following communication was received:
Office of the Auditor General

June 19, 2000

Enclosed is a copy of the following audit report and/or executive digest:
Financial Audit of the Michigan Economic Development Corporation, April 1, 1999, through September 30, 1999.

Sincerely,
Thomas H. McTavish, C.P.A.
Auditor General

The communication was referred to the Secretary for record.

The Secretary announced that the following House bills were received in the Senate and filed on Tuesday, June 20:
House Bill Nos. 4621 4780 5537

Senator Rogers moved that rule 2.106 be suspended to allow the conference committees to meet during Senate session.

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

Senator Rogers moved that Senators Gougeon, Hoffman, McManus and Schwarz be temporarily excused from today's session.

The motion prevailed.

Senator Rogers moved that Senator Bullard be excused from today's session.

The motion prevailed.

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

The motion prevailed.

Senator V. Smith moved that Senator Leland be excused from today's session.

The motion prevailed.

Messages from the Governor

The following messages from the Governor were received and read:

June 20, 2000

There are herewith presented for consideration and confirmation by the Senate, the following reappointments to office:

Investment Advisory Committee

Mr. David G. Sowerby, 34909 Old Homestead, Farmington Hills, Michigan 48335, county of Oakland, as a member representing the general public, succeeding Mr. Jerry L. Tubergen of Ada, whose term has expired, for a term expiring on December 15, 2002.

Mr. Robert E. Swaney, Jr., 623 S. Brys Drive, Grosse Pointe Woods, Michigan 48236, county of Wayne, as a member representing the general public, succeeding Mr. Farris W. Womack of Raleigh, who has resigned, for a term expiring on December 15, 2001.

June 20, 2000

There is herewith presented for consideration and confirmation by the Senate, the following reappointment to office:

Board of Plumbing

Mr. James W. Barnhart, 5040 Thorncroft, Royal Oak, Michigan 48073, county of Oakland, as a member representing journeyman plumbers, succeeding himself, for a term expiring on June 30, 2003.

Sincerely,
John Engler
Governor

The appointments were referred to the Committee on Government Operations.

Senators Murphy and McManus entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of
Conference Reports

House Bill No. 5275, entitled

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The House of Representatives has adopted the report of the second Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

SECOND CONFERENCE REPORT

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

House Bill No. 5275, entitled

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Recommends:

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

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**PART 1****LINE-ITEM APPROPRIATIONS**

Sec. 101. The amounts listed in this part are appropriated for the department of consumer and industry services, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2001, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions	64.5	
Full-time equated classified positions	4,182.4	
GROSS APPROPRIATION	\$	529,806,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		109,200
ADJUSTED GROSS APPROPRIATION	\$	529,697,400
Federal revenues:		
Total federal revenues		237,626,000

	For Fiscal Year Ending Sept. 30, 2001
Special revenue funds:	
Total local revenues	\$ 0
Total private revenues	745,900
Total other state restricted revenues	207,513,200
State general fund/general purpose	\$ 83,812,300
Sec. 102. EXECUTIVE DIRECTION	
Full-time equated unclassified positions	64.5
Full-time equated classified positions	94.0
Unclassified salaries	\$ 5,511,000
Energy office—9.0 FTE positions	2,558,800
Executive director programs—13.0 FTE positions	2,091,400
Policy development—10.0 FTE positions	1,442,000
Utility consumer representation	550,000
Regulatory efficiency improvements/backlog reduction initiative	750,000
MES board of review program—21.0 FTE positions	1,703,400
Bureau of hearings—41.0 FTE positions	4,236,700
GROSS APPROPRIATION	\$ 18,843,300
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants	2,127,900
DOL-ETA, unemployment insurance	2,109,300
DOL, multiple grants for safety and health	154,300
Special revenue funds:	
Bank fees	177,800
Boiler fee revenue	84,600
Construction code fund	406,700
Consumer finance fees	91,500
Corporation fees	305,200
Credit union fees	136,100
Elevator fees	38,600
Fees and collections/asbestos	10,900
Fire service fees	23,800
Health professions regulatory fund	1,330,600
Health systems fees and collections	66,000
Insurance regulatory fees	629,700
Licensing and regulation fees	451,100
Liquor license fees	100,000
Liquor purchase revolving fund	1,222,200
Manufactured housing commission fees	155,000
Michigan state housing development authority fees and charges	313,800
Motor carrier fees	27,600
Property development fees	4,500
Public utility assessments	1,973,300
Safety education and training fund	199,300
Second injury fund	68,100
Securities fees	170,500
Self-insurers security fund	17,900
Silicosis and dust disease fund	26,100
Utility consumer representation fund	550,000
Worker's compensation administrative revolving fund	60,100
State general fund/general purpose	\$ 5,810,800
Sec. 103. COUNCIL FOR ARTS AND CULTURAL AFFAIRS	
Full-time equated classified positions	9.0
Administration—9.0 FTE positions	\$ 887,500
Arts and cultural grants	25,648,700
GROSS APPROPRIATION	\$ 26,536,200

For Fiscal Year
Ending Sept. 30,
2001

Appropriated from:	
Federal revenues:	
NFAH-NEA, promotion of the arts, state and regional programs	\$ 700,000
Special revenue funds:	
State general fund/general purpose	\$ 25,836,200
Sec. 104. FIRE SAFETY	
Full-time equated classified positions	57.0
Office of fire safety—57.0 FTE positions	\$ 4,885,800
GROSS APPROPRIATION	\$ 4,885,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	109,200
Federal revenues:	
Federal funds	1,298,300
Special revenue funds:	
Fire alarm regulation fees	89,300
Fire service fees.....	1,802,500
State general fund/general purpose	\$ 1,586,500
Sec. 105. MANAGEMENT SERVICES	
Full-time equated classified positions	178.0
Administrative services—84.0 FTE positions	\$ 5,884,100
Technology support—94.0 FTE positions	13,724,200
Insurance automation	750,000
Health services information systems	750,000
Rent	7,143,900
Building occupancy charges - property development services.....	6,683,400
Worker's compensation	1,055,000
Special project advances	740,000
GROSS APPROPRIATION	\$ 36,730,600
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance	296,300
DOL, multiple grants for safety and health.....	549,900
Federal funds	426,700
HHS, federal funds	37,000
Special revenue funds:	
Private-special project advances.....	740,000
Bank fees	356,300
Boiler fee revenue.....	227,100
Construction code fund	1,165,300
Consumer finance fees	148,600
Corporation fees	1,938,000
Credit union fees.....	250,800
Elevator fees	267,000
Fees and collections/asbestos	88,200
Fire service fees.....	31,700
Health professions regulatory fund	4,350,800
Health systems fees and collections	464,700
Insurance regulatory fees	2,441,300
Licensing and regulation fees.....	2,031,800
Liquor purchase revolving fund	7,931,400
Manufactured housing commission fees.....	121,800
Michigan state housing development authority fees and charges.....	2,560,900
Motor carrier fees	198,600
Property development fees	29,000
Public utility assessments	2,323,700

	For Fiscal Year Ending Sept. 30, 2001
Safety education and training fund	\$ 677,900
Second injury fund.....	303,300
Securities fees.....	666,300
Self-insurers security fund	79,000
Silicosis and dust disease fund.....	113,100
Tax tribunal fees	41,000
Worker's compensation administrative revolving fund	1,333,600
State general fund/general purpose	\$ 4,539,500
Sec. 106. CORPORATION AND LAND DEVELOPMENT BUREAU	
Full-time equated classified positions	101.0
Manufactured housing commission, per diem \$50.00.....	\$ 7,800
Manufactured housing and land resources program—15.0 FTE positions	1,502,400
Corporate services—61.0 FTE positions	5,030,200
Investment oversight—12.0 FTE positions.....	1,104,500
Local manufactured housing communities inspections.....	250,000
Property development group—13.0 FTE positions.....	1,420,400
Remonumentation grants.....	5,000,000
GROSS APPROPRIATION	\$ 14,315,300
Appropriated from:	
Special revenue funds:	
Corporation fees	6,555,900
Limited liability partnership revenue	10,000
Manufactured housing commission fees.....	1,916,800
Property development fees	237,400
Remonumentation fees.....	5,595,200
State general fund/general purpose	\$ 0
Sec. 107. OFFICE OF FINANCIAL AND INSURANCE SERVICES	
Full-time equated classified positions	278.0
Administration—27.0 FTE positions.....	\$ 3,203,200
Policy and consumer services—37.0 FTE positions	2,956,900
Securities regulation—18.0 FTE positions	1,511,200
Bank regulation—50.0 FTE positions	5,362,000
Credit union regulation—43.0 FTE positions.....	3,713,900
Consumer finance regulation—21.0 FTE positions	1,909,300
Insurance financial evaluation—46.0 FTE positions	5,553,800
Insurance licensing and enforcement—36.0 FTE positions	3,477,500
GROSS APPROPRIATION	\$ 27,687,800
Appropriated from:	
Federal revenues:	
Federal funds	50,600
Special revenue funds:	
Private-travel funds	5,900
Bank fees	6,224,800
Consumer finance fees	2,255,700
Credit union fees.....	4,451,300
Insurance continuing education fees	532,400
Insurance licensing and regulation fees.....	2,619,500
Insurance regulatory fees	9,504,200
Multiple employer welfare arrangement.....	66,000
Securities fees.....	1,977,400
State general fund/general purpose	\$ 0
Sec. 108. PUBLIC SERVICE COMMISSION	
Full-time equated classified positions	143.0
Administration, planning and regulation—143.0 FTE positions.....	\$ 15,411,200
GROSS APPROPRIATION	\$ 15,411,200

For Fiscal Year
Ending Sept. 30,
2001

Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants.....	\$ 146,000
DOT-RSPA, gas pipeline safety.....	274,100
Special revenue funds:	
Motor carrier fees	1,849,500
Public utility assessments	13,141,600
State general fund/general purpose	\$ 0
Sec. 109. LIQUOR CONTROL COMMISSION	
Full-time equated classified positions	179.0
Management support services—39.0 FTE positions.....	\$ 2,873,900
Liquor licensing and enforcement—140.0 FTE positions.....	10,698,000
Liquor law enforcement grants	6,000,000
Grant to department of agriculture for wine industry council	457,200
GROSS APPROPRIATION	\$ 20,029,100
Appropriated from:	
Special revenue funds:	
Liquor license revenue	10,953,100
Liquor purchase revolving fund	8,618,800
Nonretail liquor license revenue	457,200
State general fund/general purpose	\$ 0
Sec. 110. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY	
Full-time equated classified positions	234.0
Payments on behalf of tenants	\$ 70,000,000
Housing and rental assistance program—227.0 FTE positions.....	22,662,700
Automatic data processing—7.0 FTE positions.....	989,600
Homeless program	5,290,800
GROSS APPROPRIATION	\$ 98,943,100
Appropriated from:	
Federal revenues:	
HUD, lower income housing assistance program	84,272,800
Special revenue funds:	
Michigan state housing development authority fees and charges.....	14,670,300
State general fund/general purpose	\$ 0
Sec. 111. TAX TRIBUNAL	
Full-time equated classified positions	14.0
Operations—14.0 FTE positions	\$ 1,638,700
GROSS APPROPRIATION	\$ 1,638,700
Appropriated from:	
Special revenue funds:	
Tax tribunal fees	629,400
State general fund/general purpose	\$ 1,009,300
Sec. 112. GRANTS	
Fire protection grants.....	\$ 7,421,000
Regional communications emergency operations mobile command post.....	50,000
GROSS APPROPRIATION	\$ 7,471,000
Appropriated from:	
Special revenue funds:	
Liquor purchase revolving fund	7,421,000
State general fund/general purpose	\$ 50,000
Sec. 113. HEALTH REGULATORY SYSTEMS	
Full-time equated classified positions	344.0
Health systems administration—181.0 FTE positions	\$ 16,768,400
Nursing home quality incentive grants—3.0 FTE positions	10,000,000
Emergency medical services program state staff—7.0 FTE positions	888,600
Radiological health administration and projects—24.0 FTE positions	1,948,900

	For Fiscal Year Ending Sept. 30, 2001
Substance abuse program administration—4.0 FTE positions	\$ 401,500
Emergency medical services grants and contracts	1,062,100
Health services—125.0 FTE positions	13,027,800
GROSS APPROPRIATION	\$ 44,097,300
Appropriated from:	
Federal revenues:	
Federal funds	18,096,500
Special revenue funds:	
Controlled substance license fees.....	1,343,300
Health professions regulatory fund	10,422,800
Health systems fees and collections	3,687,100
Nurse professional fund	450,000
State general fund/general purpose	\$ 10,097,600
Sec. 114. REGULATORY SERVICES	
Full-time equated classified positions	313.0
AFC, children's welfare and day care licensure—313.0 FTE positions.....	\$ 25,580,400
GROSS APPROPRIATION	\$ 25,580,400
Appropriated from:	
Federal revenues:	
HHS, federal funds	10,973,200
Special revenue funds:	
Health systems fees and collections	152,700
Licensing fees	482,800
State general fund/general purpose	\$ 13,971,700
Sec. 115. OCCUPATIONAL REGULATION	
Full-time equated classified positions	238.0
Commissions and boards.....	\$ 41,900
Code enforcement—99.0 FTE positions.....	7,724,700
Code enforcement flexibility.....	1,155,500
Boiler inspection program—18.0 FTE positions	1,509,700
Elevator inspection program—23.0 FTE positions	1,817,500
Commercial services—98.0 FTE positions.....	9,056,700
GROSS APPROPRIATION	\$ 21,306,000
Appropriated from:	
Special revenue funds:	
Boiler fee revenue	1,653,800
Construction code fund	8,672,200
Elevator fees	1,923,300
Homeowner construction lien recovery fund.....	1,528,900
Licensing and regulation fees.....	7,003,300
Real estate appraiser continuing education fund	45,000
Real estate education fund	217,500
State general fund/general purpose	\$ 262,000
Sec. 116. EMPLOYMENT RELATIONS	
Full-time equated classified positions	28.0
Fact finding and arbitration.....	\$ 154,300
Employment and labor relations—28.0 FTE positions	2,935,500
GROSS APPROPRIATION	\$ 3,089,800
Appropriated from:	
Federal revenues:	
EEOC, federal funds	30,000
Special revenue funds:	
Publication revenue.....	10,000
State general fund/general purpose	\$ 3,049,800
Sec. 117. SAFETY AND REGULATION	
Full-time equated classified positions	282.0
Commissions and boards.....	\$ 27,700

	For Fiscal Year Ending Sept. 30, 2001
Employment standards enforcement—38.0 FTE positions	\$ 2,539,800
Subgrantees.....	1,076,900
Occupational safety and health—244.0 FTE positions	22,287,200
GROSS APPROPRIATION	\$ 25,931,600
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health.....	12,252,300
Special revenue funds:	
Fees and collections/asbestos	694,200
Safety education and training fund	5,608,700
State general fund/general purpose	\$ 7,376,400
Sec. 118. WORKER'S DISABILITY COMPENSATION	
Full-time equated classified positions	171.4
Administration—119.0 FTE positions	\$ 8,345,700
Board of magistrates administration—8.0 FTE positions	1,822,500
Appellate commission administration—11.4 FTE positions	847,400
Supplemental benefit fund	1,300,000
Insurance funds administration—33.0 FTE positions	10,175,900
Automatic data processing	506,000
Grant to department of career development, hire the handicapped program	50,000
GROSS APPROPRIATION	\$ 23,047,500
Appropriated from:	
Special revenue funds:	
Second injury fund.....	6,471,300
Self-insurers security fund	1,724,900
Silicosis and dust disease fund.....	2,535,700
Worker's compensation administrative revolving fund	2,093,100
State general fund/general purpose	\$ 10,222,500
Sec. 119. UNEMPLOYMENT AGENCY	
Full-time equated classified positions	1,519.0
Worker's compensation	\$ 765,000
Rent	6,087,000
Building occupancy charges - property development service	3,725,800
Unemployment program—1,441.7 FTE positions	94,742,800
Advocacy assistance program—8.0 FTE positions.....	1,536,200
Special audit and collections program—34.0 FTE positions	2,157,400
Training program for agency staff—2.1 FTE positions	2,779,600
Expanded fraud control program—33.2 FTE positions	2,468,100
GROSS APPROPRIATION	\$ 114,261,900
Appropriated from:	
Federal revenues:	
DOL, employment and training administration	518,600
DOL, unemployment insurance.....	99,163,400
Federal Reed act funds.....	4,148,800
Special revenue funds:	
Contingent fund, penalty and interest account	10,431,100
State general fund/general purpose	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2000-2001 is \$291,325,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2000-2001 is \$33,921,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

Arts and cultural grants.....	\$ 15,000,000
Fire protection grants.....	7,421,000

Liquor law enforcement	6,000,000
Local manufactured housing inspections.....	250,000
Remonumentation grants.....	5,000,000
Subgrantees.....	250,000
Total department of consumer and industry services.....	\$ 33,921,000

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

Sec. 203. As used in this appropriation act:

- (a) "AFC" means adult foster care.
- (b) "Department" means the department of consumer and industry services.
- (c) "DOE" means the United States department of energy.
- (d) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (e) "DOL" means the United States department of labor.
- (f) "DOL-OSHA" means the DOL occupational safety and health administration.
- (g) "DOT" means the United States department of transportation.
- (h) "DOT-RSPA" means the DOT research and special programs administration.
- (i) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (j) "FTE" means full-time equated.
- (k) "HHS" means the United States department of health and human services.
- (l) "HHS-HCFA" means the HHS health care financing administration.
- (m) "HHS-SSA" means HHS social security administration.
- (n) "HUD" means the United States department of housing and urban development.
- (o) "IDG" means interdepartmental grant.
- (p) "MIOSHA" means the Michigan occupational safety and health administration.
- (q) "NFAH" means the national foundation of the arts and the humanities.
- (r) "NFAH-NEA" means the NFAH national endowment for the arts.

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

Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services. The state budget director shall report by the thirtieth of each month to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the justification for the exception.

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

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$12,200,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to all members of the senate and house of representatives appropriate appropriations subcommittees within 30 months.

Sec. 208. The department shall continue to pilot the use of the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting

requirement or it may include placement of reports on the Internet or legislative Intranet site. All members of the senate and house of representatives appropriations subcommittees and senate and house fiscal agencies shall be notified in writing of the Internet or Intranet site of any such report. Quarterly, the department shall provide a cumulative listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report. The department shall continue to distribute all of these reports to the legislature in the current printed format.

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

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

Sec. 211. Of the funds appropriated in part 1 that are in units other than the grants unit, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department or the fund provides notice of the grant to all members of the appropriations subcommittees of the house and senate at least 10 days before the grant is issued or at least 72 hours before any announcement to local governmental units or the public.

Sec. 213. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

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

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

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before June 1, 2001 to all members of the appropriate subcommittees of the house and senate appropriations committees that states the amount of revenue received from the sale of information.

Sec. 305. The appropriation in part 1 may be used for per diem payments to the members of commissions or boards for a full day of committee work at which a quorum is present or for performing official business as authorized by each respective commission or board. The per diem payments shall be at a rate as follows:

(a) Michigan board of chiropractic medicine	\$50.00 per day
(b) Michigan board of dentistry	\$50.00 per day
(c) Michigan board of medicine	\$50.00 per day
(d) Board of nursing	\$50.00 per day
(e) Michigan board of optometry	\$50.00 per day
(f) Michigan board of osteopathic medicine and surgery	\$50.00 per day
(g) Michigan board of pharmacy	\$50.00 per day
(h) Michigan board of podiatric medicine and surgery	\$50.00 per day
(i) Michigan board of psychology	\$50.00 per day
(j) Michigan board of physical therapy	\$50.00 per day
(k) Physicians' assistants task force	\$50.00 per day
(l) Michigan board of veterinary medicine	\$50.00 per day
(m) Michigan board of occupational therapists	\$50.00 per day
(n) Michigan board of professional counselors	\$50.00 per day
(o) Health occupations council	\$50.00 per day

(p) Board of accountancy	\$50.00 per day
(q) Board of architects	\$50.00 per day
(r) Athletic board of control	\$50.00 per day
(s) Board of barber examiners.....	\$50.00 per day
(t) Residential builders' and maintenance and alteration contractor's board.....	\$50.00 per day
(u) Carnival-amusement safety board.....	\$50.00 per day
(v) Collection practices board	\$50.00 per day
(w) Board of cosmetology.....	\$50.00 per day
(x) Employment agency board	\$50.00 per day
(y) Board of professional engineers	\$50.00 per day
(z) Board of land surveyors.....	\$50.00 per day
(aa) Board of landscape architects	\$50.00 per day
(bb) Board of marriage counselors.....	\$50.00 per day
(cc) Board of examiners in mortuary science	\$50.00 per day
(dd) Nursing home administrators' board.....	\$50.00 per day
(ee) Board of real estate brokers and salespersons.....	\$50.00 per day
(ff) Ski area safety board	\$50.00 per day
(gg) Board of examiners of social workers	\$50.00 per day
(hh) Commission on professional and occupational licensure	\$50.00 per day
(ii) Board of real estate appraisers	\$50.00 per day
(jj) Utility consumer participation board.....	\$50.00 per day
(kk) Construction code commission	\$50.00 per day
(ll) Plumbing board.....	\$50.00 per day
(mm) Electrical board	\$50.00 per day
(nn) Barrier free design board.....	\$50.00 per day
(oo) Mechanical board	\$50.00 per day
(pp) Boiler board	\$50.00 per day
(qq) Elevator board	\$50.00 per day
(rr) General industry safety standards commission	\$50.00 per day
(ss) General industry safety standards advisory committees	\$50.00 per day
(tt) Construction safety standards commission.....	\$50.00 per day
(uu) Construction safety standards advisory committees.....	\$50.00 per day
(vv) Board of health and safety compliance appeals	\$50.00 per day
(ww) Occupation health standards commission.....	\$50.00 per day
(xx) Fire safety board	\$50.00 per day
(yy) Occupational health standards advisory committee	\$50.00 per day

Sec. 306. (1) The Michigan council for arts and cultural affairs in the department shall administer the arts and cultural grants appropriated in part 1. The council shall provide for fair and independent decisions on arts and cultural grant requests based upon published criteria to evaluate program quality. This criteria shall include a prohibition of art projects that include displays of human wastes on religious symbols, displays of sex acts, and depictions of flag desecration. The council shall seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received. Priority shall be given to projects that serve multiple counties and that leverage significant additional public and private investment. Counties, cities, villages, townships, community foundations, and organizations, including science museums/centers, may apply for the following categories of grants:

(a) Anchor organization program for organizations that serve a statewide audience. Anchor organizations shall demonstrate a commitment to education, to mentoring smaller organizations, and to reaching underserved audiences.

(b) Arts projects program.

(c) Arts and learning program.

(d) Artists in schools program.

(e) Arts organization development program.

(f) Capitol improvement projects for cities, villages, and townships (CTV) program.

(g) Local, regional, or statewide arts agencies services program.

(h) Regional regranting program.

(i) Partnership program.

(j) Discretionary grants program.

(k) Rural arts and cultural projects.

(2) The council shall establish a regional services provider subcategory within the arts projects program to serve mid-level and larger organizations that serve a regional audience. Organizations receiving grants within this subcategory shall demonstrate that they have regional impact as well as a commitment to education, to mentoring smaller organizations, and to reaching underserved audiences.

(3) Potential applicants, including anchor organizations, that are considered ineligible to apply for grants and applicants that are unsuccessful in obtaining a grant shall be provided by the council with the following:

(a) A written rationale as to why the potential applicant was considered ineligible or why the applicant's grant was not funded.

(b) A description of actions the potential applicant or applicant needs to take in order to become eligible or to receive funding in future years.

(4) The council shall distribute the funds appropriated in part 1 in a manner which achieves the following criteria:

(a) Supports the development of the regional services provider subcategory and provides sufficient funding to organizations meeting the criteria for this subcategory as described in subsection (2) and the council's guidelines.

(b) Preserves the funding capacity for the council to provide sufficient funding to new applicants for the anchor organization program that meet the criteria for this category as described in subsection (1)(a) and the council's guidelines.

(5) Funds allocated outside of the categories described in subsection (4)(a) and (b) shall be allocated to the remaining grant categories in the same general proportions as the council has allocated funding to these categories in recent fiscal years.

(6) The appropriation for arts and cultural grants in part 1 and disbursed under this section shall, at a minimum, be matched on an equal dollar-for-dollar basis from local and private contributions paid and received by each awardee receiving grants under this section. The dollar-for-dollar match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions subject also to the preapproval of such a match by the Michigan council for arts and cultural affairs. The council shall receive proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period. The council shall submit a report to all members of the appropriate subcommittees of the house and senate appropriations committees regarding those counties, cities, villages, townships, community foundations, and organizations failing to meet their matching requirements by the end of the award period.

(7) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to eligible applicants for the purposes in this section, the department shall execute a grant agreement with each grantee. The grant agreement shall specify the criteria included in this section with which the application complies. The grant agreement shall include a list of the projects funded. All members of the appropriate subcommittees of the house and senate appropriations committees shall receive a summary of the projects funded for each grant recipient by November 1, 2000.

(8) By February 1, 2001, the department shall report to all members of the appropriate subcommittees of the house and senate appropriations committees on how the council intends to implement the arts and cultural grants program for the following fiscal year, including the process for evaluating organization quality, efforts to achieve an equitable geographic distribution of grants, and a summary of any revisions to the guidelines for the council's grant programs. The department shall submit copies of the guidelines for each grant category to all members of the appropriate subcommittees by February 1, 2001.

(9) The department shall submit a report to all members of the appropriate house and senate appropriations subcommittees and the fiscal agencies by October 1, 2000, listing the grant applicants under this section. The report shall include the following:

(a) The amount requested by the applicant.

(b) Any amount awarded to the applicant.

(c) The grant category under which the applicant applied.

(d) The county in which the organization resides.

(e) The expected number of patrons during the grant period.

(f) The amount of matching funds proposed to be contributed by the applicant.

(g) The organization's score as determined by the relevant peer review panel during the application evaluation process.

(10) By September 1, 2001, the department shall submit to the fiscal agencies and to all members of the appropriate house and senate appropriations subcommittees a summary of the regranted awards made by regranteeing organizations from funds appropriated in part 1. For each regranteeing organization, the report shall include the following:

(a) The name of each grantee.

(b) The amount received by the grantee.

(c) The county in which the grantee resides.

(11) Counties, cities, villages, townships, community foundations, and organizations receiving funds under this section shall provide the following reports to the Michigan council for arts and cultural affairs and to all members of the appropriate subcommittees of the house and senate appropriations committees and the fiscal agencies:

(a) A final report covering the grant period and due within 30 days after the end of the grant period indicating at least the following:

(i) Revenues and expenditures, indicating whether revenues are from private donations or fees.

- (ii) Number of employees.
- (iii) Number of new hires.
- (iv) Number of patrons attracted during the grant period.

(b) For awardees receiving grants greater than \$100,000.00, a copy of the awardee's annual report and audit report for the fiscal year in which the majority of the grant took place due within 90 days after the end of the awardee's fiscal year. The audit report shall include an audit of grant funds. A representative sampling of grant agreements shall be audited by the state auditor general. The audit report shall be submitted to all members of the appropriate subcommittees of the house and senate appropriations committees for review. These awardees shall also submit the information in subdivision (a) on a quarterly basis for the immediately preceding quarter due on January 7, April 7, July 7, and October 7 of each year.

(12) The recipients of grant funds under this section shall be announced by the department by October 1, 2000. The department shall, within 1 day following the final council vote, provide all members of the appropriate subcommittees of the house and senate appropriations committees and each legislator whose district is receiving a grant with a list of grant awardees.

(13) A grant awarded under this section and the matching funds which conferred eligibility for the grant award shall be used by the recipient of the grant award and shall not be redistributed by that recipient to any other entity unless specifically provided for in the grant agreement between the funded grant awardee and the Michigan council for arts and cultural affairs.

(14) The applicants for arts and cultural grant funds shall be charged a nonrefundable application fee of \$100.00 or 1% of the grant, whichever is less. The application fee may be used by the department to recover direct and indirect costs as appropriated in part 1.

(15) It is the intent of the legislature that the Michigan council for arts and cultural affairs continue to take appropriate steps to ensure that all organizations receiving state arts anchor organization grants have combined grant awards, as defined above, of no more than 15.0% of operating revenue for the fiscal year ending September 30, 2005 and beyond. As used in this subsection, "operating revenue" is defined in the same manner as it was defined during the fiscal year 2000 state arts anchor organization application process.

(16) The council shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations transitioning from solely volunteer-based organizations to professional directed operations. This includes the provision of funds and services from the arts organization development, partnership, arts projects, regional services provider, and regional regranteeing programs as well as the rural arts and culture initiative to support professional development within these organizations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.

(17) Any organizations receiving grants within the anchor organization program category in excess of 10.0% of their operating revenue, as defined in subsection (15), for the fiscal year ending September 30, 2000, shall not receive a combined grant award from all grant categories, except the partnership program, that is greater than the combined grant award from these categories that the organization received for the fiscal year ending September 30, 2000.

(18) The council shall make available to an awardee any written comments that are available regarding that awardee's application and peer review process.

(19) The council shall provide for fair, equitable, and efficient distribution of funds granted through the regional regranteeing program. The council shall provide for an annual assessment of grant management and distribution of mini-grant awards by designated regional regranteeing agencies and review the methodology employed and report these findings to all members of the appropriate house and senate subcommittees of the appropriations committee.

(20) The council shall use its best efforts to reestablish an arts organization development program which provides funding for organizations that deliver services to cultural groups and individual artists in all disciplines and that foster long-term development of a community or region. Projects and programs funded through this program shall be designed to strengthen Michigan families and communities by ensuring full public access to quality arts and cultural activities, promoting cultural tourism, and providing for quality arts and cultural education.

(21) The council shall use its best efforts to provide total grant awards in the anchor organization program at a level not to exceed 65% of the total amount appropriated for arts and cultural grants.

(22) The council shall assess its granting processes and procedures to strengthen consumer and industry access to arts and cultural information, services, and funding opportunities and shall explore new technology applications. The council shall report these findings and shall provide a progress report on steps taken to implement the new initiatives prescribed by the legislature in this section by February 1, 2001, to all members of the appropriate appropriations subcommittees of the house and senate appropriations committees.

(23) The council shall take all necessary steps to implement the recommendations made by the auditor general as a result of the auditor general's most recent performance audit of the council as reviewed in the auditor general's June 2000 audit report. The council shall provide a progress report to the appropriate appropriations subcommittees by February 1, 2001 on the specific steps taken to implement these recommendations.

Sec. 307. The department may receive and expend contributions from public, private, and federal sources, except state agencies, for the purpose of acquiring or constructing art objects or promoting or preserving the arts in or on state properties. Expenditures of any funds received shall be consistent with the purposes of the Faxon-McNamee art in public places act, 1980 PA 105, MCL 18.71 to 18.81. Any funds received under this section are considered a work project account and may be carried forward into the succeeding fiscal year.

Sec. 308. The Michigan state housing development authority shall annually present a report to all members of the appropriate subcommittees of the house and senate appropriations committees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 309. The department shall assess and collect fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall not exceed the deducts in part 1 and shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 310. The appropriation in part 1 for the department, bureau of safety and regulation, safety education and training division, includes funding for on-site consultation and education and training programs. The appropriation in part 1 anticipates that 90% of the on-site consultation program costs and 50% of the education and training program costs will be supported by federal OSHA funds and the remaining 10% and 50% respectively will be supported by safety education and training funds. If federal OSHA funding does not become available to cover up to 90% of the program costs for on-site consultation and 50% for education and training, up to 50% of the program costs for on-site consultation and 90% of the program costs for education and training may be paid from the safety education and training fund as a match for available federal funds.

Sec. 311. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in R 408.8151 of the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to all members of the appropriate subcommittees of the house and senate appropriations committees on the amount of funds available under this section.

Sec. 312. If the revenue collected by the department for occupational safety and health, health systems administration, or radiological health administration and projects from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 313. Money appropriated under this act for fire safety programs shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

Operation and maintenance inspection fee

<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed

Plan review and construction inspection fees for hospitals and schools

<u>Project cost range</u>	<u>Fee</u>
\$101,000.00 or less	minimum fee of \$125.00
\$101,001.00 to \$1,500,000.00	\$1.24 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00	\$0.90 per \$1,000.00
\$10,000,001.00 or more	\$0.70 per \$1,000.00
or a maximum fee of \$50,000.00.	

Sec. 314. The department shall furnish the clerk of the house, the secretary of the senate, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the family independence agency, as required by 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriation committees.

Sec. 315. (1) From the amount appropriated in part 1 to health systems administration, the department shall provide funding for not less than 113 inspectors to annually survey and investigate the care and services delivered in nursing homes, county medical care facilities, and hospital long-term care units in accordance with provisions in the public health code, 1978 PA 368, MCL 333.1101 to 333.25211, and federal Medicare and Medicaid certification standards.

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

Sec. 316. If the revenue collected by the department from licensing and regulation fees exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 317. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the Michigan unemployment agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies all members of the appropriate subcommittees of the house and senate appropriations committees of the purpose and amount of each grant award.

Sec. 319. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

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

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

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

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

(e) Labor law books.

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

(g) Minimum design standards for health care facilities.

Sec. 320. (1) The department shall develop a nursing home quality care incentive program. The purpose of the program will be to provide financial incentives for nursing homes to develop high quality care services. Grants shall be awarded to nursing homes that can demonstrate an existing commitment to providing high quality care.

(2) The department shall develop the specific criteria for the awarding of these grants. At a minimum, these criteria shall include some measure of resident satisfaction with the level of care provided. The criteria may also include the results of the facility's annual survey conducted by the department. The department shall post criteria for this grant program on the Internet and shall make the criteria available in written format upon request.

(3) The department shall notify nursing home care providers of the criteria to be used in awarding grants by January 1, 2001.

Sec. 321. The department shall report to the fiscal agencies and all members of the appropriations subcommittees on March 1, 2001 and September 1, 2001 on the initial and follow-up surveys conducted on all nursing homes in this state. The report shall include all of the following information:

(a) The number of surveys conducted.

(b) The number requiring follow-up surveys.

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

(d) The number of citations per home.

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

(f) The number of night and weekend responses to complaints conducted by the department.

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

(h) The number and percentage of citations appealed.

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

Sec. 322. The department, bureau of safety and regulation, shall provide an annual report by February 1 of each year to the fiscal agencies and to all members of the appropriate house and senate appropriations subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the preceding calendar year.

Sec. 323. The department shall report by November 1, 2000 to the legislature and the fiscal agencies the status of the nursing home complaint investigation backlog and any suggested revisions to current statute or promulgated rules that will assist in improving the effectiveness of the nursing home survey and complaint investigation process.

Sec. 324. As a condition for receiving the general fund/general purpose appropriations in part 1 for health systems administration, the department shall provide assistance to any person making an oral request for a nursing home investigation in putting his or her request into writing, shall initiate investigations on all written nursing home complaints filed with the department within 15 days of receipt of the complaint, and shall provide a written response to the complainant within 30 days of receipt of the written complaint.

Sec. 326. It is the intent of the legislature that the unemployment agency, during its transition to the remote initial claims system, operate a sufficient number of unemployment agency offices, including itinerant or satellite offices, within Michigan's Upper Peninsula to ensure that the citizens of the Upper Peninsula can access these offices without excessive travel or, in cases where unemployment claims are filed or renewed by phone, without excessive long distance toll charges.

Sec. 328. The department shall continue to work with grantees supported through the appropriation in part 1 for emergency medical services grants and contracts to ensure that a sufficient number of qualified emergency medical services personnel exist to serve rural areas of the state.

Sec. 329. (1) Of the funds appropriated in part 1 to the office of financial and insurance services created under Executive Order No. 4 of 2000, the funds allocated to the office of financial and insurance services and the commissioner of the office of financial and insurance services under the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be accounted for separately by the department from any other funds of the office of financial and insurance services and shall be separated and allocated as restricted funds to be held and expended only in the manner provided for under section 225 of the insurance code of 1956, 1956 PA 218, MCL 500.225, and this act.

(2) The director shall report to all members of the appropriate house and senate appropriations subcommittee by February 1, 2001 regarding the expenditures for the previous fiscal year from insurance regulatory fees for the following:

- (a) The executive direction unit.
- (b) The management services unit.
- (c) The salary and expenditures of the commissioner of financial and insurance services.

Sec. 330. In response to recent changes in the administrative rules governing day care facilities, the appropriation in part 1 for AFC, children's welfare and day care licensure, shall allow the department to add up to 20 additional staff above the level appropriated as of September 30, 2000. These new positions shall support day care licensing activities that promote a higher quality environment for children in day care facilities.

Sec. 331. (1) The department in consultation with nursing home provider groups, the department of community health, the state long-term care ombudsman, and the federal health care finance administration shall clarify the following terms as those terms are used in title XVIII and title XIX and applied by the department to provide more consistent regulation of nursing homes in Michigan:

- (a) Immediate jeopardy.
- (b) Harm.
- (c) Potential harm.
- (d) Avoidable.
- (e) Unavoidable.

(2) The department shall semiannually provide for joint training with nursing home surveyors and providers on at least 1 of the 10 most frequently issued federal citations in this state during the past calendar year. The department shall provide a mechanism to measure the effect of the training and shall report to the legislature on the effect of the training by January 15, 2001.

Sec. 332. From the appropriations in part 1 for occupational safety and health, the department shall provide funding for 31 general industry safety inspectors, 24 construction industry safety inspectors, and 27 industrial hygienists.

Sec. 333. Of the funds appropriated in part 1 for nursing home quality incentive grants, no funds shall be distributed to a nursing home under the program unless that nursing home posts the executive summary of the nursing home's last annual inspection in a conspicuous place within the nursing home for public review.

Sec. 334. It is the intent of the legislature that the unemployment agency work collaboratively with the department of career development to ensure each 1-stop center has the ability to assist individuals or respond to inquiries regarding unemployment benefits and the remote initial claims system.

Sec. 339. (1) The department shall post on the Internet the executive summary of the latest inspection for each licensed nursing home.

(2) It is the intent of the legislature that the department work toward posting inspection summaries for licensed day care centers on the Internet.

Sec. 340. The funding appropriated in part 1 for the regional communications emergency operations mobile command post shall be provided to the Oakland County sheriff's department and shall be matched on an equal dollar-for-dollar basis.

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

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Jon Jellema
Janet Kukuk
Conferees for the House

Loren Bennett
Leon Stille
Joe Young, Jr.
Conferees for the Senate

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

Senator Rogers moved that the rule be suspended.

The motion prevailed.

The question being on the adoption of the conference report,

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

Roll Call No. 599

Yeas—31

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

Nays—1

Jaye

Excused—6

Bullard	Gougeon	Leland	Schwarz
Emerson	Hoffman		

Not Voting—0

In The Chair: Vaughn

House Bill No. 5277, entitled

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2001; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

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

House Bill No. 5277, entitled

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2001; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

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

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

“PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30, 2001, from the funds indicated in this part. The following is a summary of the appropriations in this part:

FAMILY INDEPENDENCE AGENCY

Full-time equated classified positions.....	13,499.6	
Full-time equated unclassified positions	6.0	
Total full-time equated positions	13,505.6	
GROSS APPROPRIATION		\$ 3,599,927,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		\$ 765,000
ADJUSTED GROSS APPROPRIATION		\$ 3,599,162,500
Federal revenues:		
Total federal revenues		2,212,251,150
Special revenue funds:		
Total private revenues		8,513,950
Total local revenues		110,646,200
Total other state restricted revenues		50,641,200
State general fund/general purpose		\$ 1,217,110,000

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions.....	925.3	
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	919.3	
Other unclassified salaries—6.0 FTE positions		\$ 492,300
Salaries and wages—692.3 FTE positions.....		34,379,900
Contractual services, supplies, and materials		10,313,300
Demonstration projects—11.0 FTE positions		10,672,200
End user support		9,036,300
Computer service fees		27,154,100
Client services system—22.0 FTE positions		13,333,800
Data system enhancement—26.0 FTE positions.....		37,976,200
Child support automation—28.0 FTE positions		65,239,500
Child support distribution computer system—8.0 FTE positions		17,132,800
Supplemental security income advocates, salaries & wages—16.0 FTE positions		1,022,200
Commission on disability concerns—8.0 FTE positions		785,700
Commission for the blind—108.0 FTE positions		17,621,100
GROSS APPROPRIATION		\$ 245,159,400

Appropriated from:

Interdepartmental grant revenues:		
IDG-ADP user fees		150,000
ADJUSTED GROSS APPROPRIATION		\$ 245,009,400

Appropriated from:

Federal revenues:		
Total federal revenues		158,399,800
Special revenue funds:		
Total private revenues		1,840,000
Total local revenues		475,000
Total other state restricted revenues		477,300
State general fund/general purpose		\$ 83,817,300

Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Full-time equated classified positions	438.0	
Salaries and wages—299.0 FTE positions.....		\$ 14,666,400
Contractual services, supplies, and materials		5,776,500
Child support incentive payments		32,409,600
Legal support contracts		117,496,400

State incentive payments.....	4,449,000
Employment and training support services.....	18,101,700
Project zero—84.0 FTE positions	13,975,200
Food stamp issuance	4,124,400
Wage employment verification reporting—2.0 FTE positions	5,171,000
Urban and rural empowerment/enterprise zones.....	100
Training and staff development—53.0 FTE positions	10,636,400
Community services block grants	21,400,000
GROSS APPROPRIATION	\$ 248,206,700

Appropriated from:

Interdepartmental grant revenues:

ADJUSTED GROSS APPROPRIATION	\$ 248,206,700
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Appropriated from:

Federal revenues:

Total federal revenues	218,247,800
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Special revenue funds:

Total local revenues	340,000
State general fund/general purpose	\$ 29,618,900

Sec. 104. CHILD AND FAMILY SERVICES

Full-time equated classified positions	104.3
Salaries and wages—43.3 FTE positions	\$ 2,685,000
Contractual services, supplies, and materials	1,683,500
Refugee assistance program—5.0 FTE positions	7,391,900
Foster care payments	192,882,000
Wayne County foster care payments	157,780,000
Adoption subsidies.....	157,262,200
Adoption support services—9.0 FTE positions	11,615,200
Youth in transition—10.0 FTE positions.....	11,327,900
Interstate compact.....	300,000
Children's benefit fund donations	21,000
Domestic violence prevention and treatment—6.0 FTE positions	11,228,500
Teenage parent counseling—4.0 FTE positions.....	4,417,600
Family preservation and prevention services—20.0 FTE positions	78,618,300
Black child and family institute	100,000
Rape prevention and services	1,100,000
Children's trust fund administration—7.0 FTE positions	459,100
Children's trust fund grants.....	3,615,000
Attorney general contract.....	2,458,700
Guardian contract.....	600,000
County shelters	300,000
Prosecuting attorney contracts	1,061,700
GROSS APPROPRIATION	\$ 646,907,600

Appropriated from:

Interdepartmental grant revenues:

ADJUSTED GROSS APPROPRIATION	\$ 646,907,600
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Appropriated from:

Federal revenues:

Total federal revenues	341,295,700
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Special revenue funds:

Private-children's benefit fund donations	21,000
Private-collections.....	4,101,300
Local funds - county payback	64,692,000
Children's trust fund	2,112,100
State general fund/general purpose	\$ 234,685,500

Sec. 105. JUVENILE JUSTICE SERVICES

Full-time equated classified positions	1,234.1
Personnel payroll costs—847.9 FTE positions	\$ 51,883,000
County juvenile officers.....	3,863,300
Child care fund	76,952,500

Juvenile justice operations	17,029,800
Community juvenile justice centers—107.0 FTE positions	7,784,700
Genesee Valley, Burton and Northwest detention centers—254.2 FTE positions.....	18,489,400
Federally funded activities—12.0 FTE positions.....	1,844,400
W.J. Maxey memorial fund	45,000
Regional detention services—5.0 FTE positions	1,217,500
Juvenile accountability incentive block grant—4.0 FTE positions	7,732,000
Juvenile boot camp program	1,600,000
Committee on juvenile justice administration—4.0 FTE positions.....	449,600
Committee on juvenile justice grants	5,000,000
GROSS APPROPRIATION	\$ 193,891,200

Appropriated from:

Federal revenues:

Total federal revenues	30,063,100
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Special revenue funds:

Total private revenues	45,000
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Local funds - county payback	44,641,700
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State general fund/general purpose	\$ 119,141,400
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Sec. 106. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions.....	10,161.9
Field staff, salaries and wages—7,184.5 FTE positions	\$ 294,072,100
Children and adult services, salaries and wages—2,826.9 FTE positions.....	119,502,700
Contractual services, supplies, and materials	30,267,300
Outstationed eligibility workers—60.0 FTE positions.....	5,000,000
Wayne County gifts and bequests	100,000
Volunteer services and reimbursement—90.5 FTE positions.....	7,269,800
GROSS APPROPRIATION	\$ 456,211,900

Appropriated from:

Federal revenues:

Total federal revenues	278,499,300
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Special revenue funds:

Local funds - donated funds.....	193,100
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Private funds - Wayne County gifts.....	100,000
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Private funds - hospital contributions.....	2,406,650
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State general fund/general purpose	\$ 175,012,850
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Sec. 107. DISABILITY DETERMINATION SERVICES

Full-time equated classified positions	628.0
Disability determination operations—602.0 FTE positions	\$ 69,215,400
Medical consultation program—21.0 FTE positions	1,762,500
Retirement disability determination—5.0 FTE positions.....	615,000
GROSS APPROPRIATION	\$ 71,592,900

Appropriated from:

Interdepartmental grant revenues:

Department of management and budget - office of retirement systems	615,000
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ADJUSTED GROSS APPROPRIATION	\$ 70,977,900
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Federal revenues:

Total federal revenues	70,084,600
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State general fund/general purpose	\$ 893,300
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Sec. 108. CENTRAL SUPPORT ACCOUNTS

Rent	\$ 48,825,500
Occupancy charge	12,840,600
Travel.....	7,880,500
Equipment.....	3,052,900
Workers' compensation	5,369,900
Advisory commissions	17,900
Payroll taxes and fringe benefits	165,705,500
GROSS APPROPRIATION	\$ 243,692,800

Appropriated from:

Federal revenues:

Total federal revenues	137,423,450
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Special revenue funds:

Local funds - county payback	304,400
State general fund/general purpose	\$ 105,964,950

Sec. 109. PUBLIC ASSISTANCE

Full-time equated classified positions	14.0
Family independence program	\$ 297,513,600
Transitional work support	15,000,000
State disability assistance payments.....	21,682,900
Food stamp program benefits	433,218,800
State supplementation	60,933,300
State supplementation administration.....	2,381,700
Homestead property tax credit for low income families.....	27,000,000
Low income energy assistance program—10.0 FTE positions.....	60,025,500
State emergency relief—4.0 FTE positions	42,083,400
Weatherization assistance.....	10,900,000
Day care services.....	523,525,800
GROSS APPROPRIATION	\$ 1,494,265,000

Appropriated from:

Interdepartmental grant revenues:

ADJUSTED GROSS APPROPRIATION	\$ 1,494,265,000
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Appropriated from:

Federal revenues:

Total federal revenues	978,237,400
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Special revenue funds:

Child support collections	41,311,800
Supplemental security income recoveries.....	4,440,000
Public assistance recoupment revenue.....	2,300,000
State general fund/general purpose	\$ 467,975,800".

2. Amend page 10, line 20, after "is" by striking out "\$1,268,357,000.00" and inserting "\$1,267,751,200.00".

3. Amend page 19, line 8, by striking out all of section 224.

4. Amend page 21, line 12, by striking out all of sections 404, 405, and 406 and inserting:

"Sec. 404. The department shall develop a plan based on recommendations from the department of civil rights, and Indian organizations such as the Michigan urban Indian consortium as the central representative of all human service-oriented off-reservation Indian organizations and the inter-tribal council of Michigan to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2000, and the plan shall be delivered to the appropriations subcommittees on the family independence agency in the house and senate.

Sec. 405. The state general fund/general purpose contribution related to the Wayne County third circuit court cooperative reimbursement contract resides in the judiciary budget. There are no general fund/general purpose funds appropriated for this purpose in the family independence agency budget."

5. Amend page 24, line 9, by striking out all of sections 410 and 411.

6. Amend page 24, following line 21, by inserting:

"Sec. 411. (1) From the funds appropriated in section 103 for employment and training support services, the department shall expend up to \$1,000,000.00 in TANF funding that will be awarded to programs that have a proven track record of having accomplished the goals outlined in the intent of this programming for low-income fathers that meet all of the following criteria:

(a) The program shall be implemented as a pilot program.

(b) The program shall be developed through community partnerships that may include, but are not limited to, the local family independence agency office, friend of the court, prosecuting attorney, faith-based organizations, churches, and community based organizations who fulfill the intent of this section.

(c) Eligible participants shall include fathers of families with incomes that do not exceed 200% of the poverty guidelines published by the United States department of health and human services, including noncustodial and teen fathers.

(d) The low-income fatherhood pilot program shall produce all of the following results:

(i) Increase positive interaction with children or families.

(ii) Improve communication and positive interaction with the children's mother.

(iii) Fathers will be taught parenting skills including, but not limited to, problem solving, conflict resolution, strengthening families, and the healthy, responsible role of a father.

(iv) All fathers will be engaged in employment and training activities that will include, but are not limited to, all of the following:

(A) Job search strategies.

(B) GED completion.
(C) Career counseling.
(D) Business communication skills.
(E) Specific training programs including, but not limited to, tool and die, culinary arts, technology, and facilities maintenance.

(v) Increase financial support of the families.

(vi) All fathers shall complete the fatherhood curriculum similar to, but not limited to, the national fatherhood initiative or national center for fathering curriculum.

(vii) Marriage assessment programs that teach participants how to avoid failing at marriage in the future or work to strengthen existing marriages.

(viii) Divorce mediation.

(2) The department shall grant priority in funding independent contractors who secure at least 10% in matching funds. The matching funds may be fulfilled through local, state, or federal funds, or through in-kind or other donations. A contractor who cannot fulfill the match described in this subsection shall not be excluded from applying for a program contract.

(3) The local collaborative program shall provide the department with an interim report by March 15, 2001 and a final report not later than September 30, 2001 that includes all of the following:

(a) The number of participants served.

(b) The number of participants working at the time the report is completed.

(c) The percentage of participants in compliance with child support payment requirements.

(d) Any other information that the department considers relevant.

(4) From the funds appropriated in section 103 for low-income fatherhood pilot programs within employment and training support services, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 412. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in section 103 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 C.F.R. 304.50.

Sec. 413. The department shall develop a written policy concerning department employee conducted field investigations and home visits that will include all of the following:

(a) When and how investigations or home visits will occur.

(b) The circumstances when a nonemployee may accompany a department employee conducting an investigation or a home visit.

(c) Mandatory training on defusing threatening behavior for employees conducting investigations or home visits.

Sec. 414. (1) Of the funds appropriated in section 103 for community services block grants, \$2,000,000.00 represents TANF funding earmarked for community action agencies.

(2) From the funds appropriated in section 103 for community services block grants, the department is authorized to make allocations of TANF funds only to the community action agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.”

7. Amend page 27, line 7, after “family” by inserting “or the court denies the petition”.

8. Amend page 32, line 11, after the first “parents” by striking out the balance of the subsection and inserting “and parents receiving adoption subsidies by 3% beginning with the first pay period in October 2000, and the department shall increase the rate of payment for child placing agencies and private residential treatment facilities by 3% effective February 15, 2001.”.

9. Amend page 33, line 4, after “by” by striking out “June” and inserting “April”.

10. Amend page 33, line 11, by striking out all of subsection (4).

11. Amend page 34, following line 5, by inserting:

“Sec. 521. The family independence agency expenditures for adoption placement services shall be audited in order to determine the average cost for each type or category of adoptive placement.

Sec. 522. From the funds appropriated in part 1 for family preservation and prevention services, \$255,000.00 in TANF funds are allocated to the 17 clubs statewide of the Michigan Area Council of Boys and Girls Clubs of America for after-school programs.

Sec. 523. From the funds appropriated in section 104 for youth in transition, domestic violence prevention and treatment, teenage parent counseling, and boys and girls clubs program within family preservation and prevention services, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.”.

12. Amend page 39, line 22, after "be" by striking out "\$1,490.00" and inserting "\$1,460.00".
13. Amend page 39, line 23, after "of" by striking out "\$935.00" and inserting "\$910.00".
14. Amend page 39, line 25, after "of" by striking out "\$355.00" and inserting "\$350.00".
15. Amend page 46, line 6, after "expend" by striking out "at least".
16. Amend page 53, line 6, after "a" by striking out "\$25,000,000.00" and inserting "\$9,135,800.00".
17. Amend page 56, line 7, by striking out all of sections 637 and 638 and inserting:

"Sec. 638. The department may transfer TANF funds to the department of education to be used in conjunction with school aid or other sources of available funds to support full-day Michigan school readiness programs or head start programs."

18. Amend page 57, following line 12, by inserting:

"(4) The department shall grant priorities in funding to contractors who secure at least 10% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, or through in-kind or other donations.

(5) In order to receive TANF funds, the pilot program shall be structured to meet day care quality objectives established under the child care development fund program administered by the United States department of health and human services."

19. Amend page 57, line 17, after "age." by inserting "It is the intent of the legislature that TANF funds are to be expended for the provision of the rate increase. These TANF funds may not be available after the fiscal year ending September 30, 2001. This funding is a 1-time only appropriation."

20. Amend page 57, line 23, after "size." by inserting "The use of TANF funds under this section should not be considered an ongoing commitment of funding."

21. Amend page 57, line 24, by striking out all of section 642.

22. Amend page 58, line 26, after "Sec. 643." by striking out the balance of the line through "day." on line 1 of page 59 and inserting "It is the intent of the legislature that an additional \$3,000,000.00 in TANF funds shall be used to increase the reimbursement rate to shelters by \$3.00 to \$13.00 per day."

23. Amend page 59, line 5, after "shelter." by inserting "From the funds appropriated in section 109 for homeless shelters within state emergency relief, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding."

24. Amend page 59, line 8, after "to" by striking out "\$2,000.00" and inserting "\$1,750.00".

25. Amend page 59, line 18, by striking out all of section 647.

26. Amend page 60, line 9, by striking out all of sections 650 and 651.

27. Amend page 60, following line 17, after "Sec. 652." by striking out "Each office of the friend of the court shall" and inserting "The department shall work in collaboration with each office of the friend of the court to".

28. Amend page 60, following line 17, following section 653, by striking out all of section 654 and inserting:

"Sec. 654. From the funds appropriated in section 104, the family independence agency shall expend \$100,000.00 for developing and distributing pamphlets and other forms of public service information regarding procedures for individuals who surrender their newborns to an emergency service provider. The provisions of this section are contingent upon enactment of legislation with respect to the safe delivery act."

29. Amend page 60, following line 17, section 655, after "up to" by striking out "50" and inserting "6".

30. Amend page 60, following line 17, following section 655, by inserting:

"Sec. 656. Funds appropriated under this act shall not be used to pay for the purchase, installation, repair, or maintenance of any air-conditioning unit or equipment unless either of the following conditions is met:

(a) The recipient requesting the payment provides to the department a certificate from a physician stating that the air-conditioning is medically required.

(b) The recipient is 55 years of age or older.

Sec. 657. (1) It is the intent of the legislature to offer quality before- or after-school programs that provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

(2) The department shall work in collaboration with independent contractors to put into practice a pilot program establishing quality before- or after-school programs for school-aged children in kindergarten to ninth grades. In order for an independent contractor to receive TANF funds, a child served must be a member of a family with an income that does not exceed 200% of the federal poverty guidelines published by the United States department of health and human services.

(3) The department shall allocate through grants or contracts up to \$16,000,000.00 in TANF funds for pilot programs. A county shall receive no more than 20% of the funds appropriated in part 1 for this program. From the funds appropriated in section 109 for before- or after-school pilot programs within day care services, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

(4) The before- or after-school pilot programs shall include, at a minimum, at least 3 of the following topics:

- (a) Pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Academic assistance, including assistance with reading and writing.
- (e) Preparation toward future self-sufficiency.
- (f) Leadership development.
- (g) Case management or mentoring.
- (h) Parental involvement.
- (i) Anger management.

(5) The department may enter into contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 10% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, or through in-kind or other donations. An independent contractor who cannot fulfill the match described in this subsection shall not be excluded from applying for a before- or after-school program contract.

(6) A referral to a pilot program may be made by, but is not limited to, any of the following: a teacher; counselor; parent; police officer; judge; or social worker.

(7) By August 30, 2001, the department before- or after-school pilot program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school pilot program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the family independence agency budget, and the senate and house fiscal agencies. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

- (a) Juvenile crime.
- (b) Aggressive behavior.
- (c) Academic achievement.
- (d) Development of new skills and interests.
- (e) School attendance and dropout rates.
- (f) Behavioral changes in school.

Sec. 659. For the purpose of the family independence program eligibility, a recipient with a child under 6 years of age must meet work first participation requirements unless child care is not available and that fact is verified by the family independence program caseworker.

Sec. 660. From the funds appropriated in section 109 for food bank council activities within state emergency relief, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 661. From the funds appropriated in part 1 in section 109 for transitional work support, the department shall expend up to \$15,000,000.00 in general fund/general purpose funds to develop and fund a transitional work support program. The department shall provide the house and senate appropriations subcommittees on the family independence agency budget with a report not later than September 30, 2001 that includes all of the following:

- (a) The number of participants served.
- (b) The average cost per program participant.
- (c) Any other information that the department considers relevant.”.

31. Amend page 61, following line 22, following section 705, by striking out all of section 706.

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

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2001; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Mark Jansen
Laura M. Toy
Hubert Price, Jr.
Conferees for the House

Mike Goschka
Joel Gougeon
Robert L. Emerson
Conferees for the Senate

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

Senator Rogers moved that the rule be suspended.

The motion prevailed.

The question being on the adoption of the conference report,

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

Roll Call No. 600

Yeas—31

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

Nays—1

Jaye

Excused—6

Bullard	Gougeon	Leland	Schwarz
Emerson	Hoffman		

Not Voting—0

In The Chair: Vaughn

By unanimous consent the Senate proceeded to the order of

Resolutions

Senators Byrum, Schwarz and Hammerstrom offered the following resolution:

Senate Resolution No. 190.

A resolution urging the Institute of Medicine to expedite its review of two new studies on dioxin and diabetes mellitus and report its findings to the Secretary of the Department of Veterans Affairs so that the Secretary can make a recommendation on whether a presumption of service connection to diabetes should exist.

Whereas, United States Air Force planes sprayed eleven million gallons of Agent Orange in Vietnam, exposing thousands of American military personnel to that chemical defoliant; and

Whereas, The Secretary of Veterans Affairs has the discretion to recommend that a presumption of service connection to diabetes be established. Documentation for such a presumption is expected to be provided by the Institute of Medicine; and

Whereas, In recent years, the connection between dioxin, a chemical found in Agent Orange, and diabetes in veterans who were exposed to dioxin has been the subject of two significant scientific studies. One study was undertaken by the National Institute of Occupational Safety and Health and the other by the Air Force's Ranch Hand Study; and

Whereas, The Institute of Medicine has been asked to review and report on the two studies. The Institute of Medicine has a review cycle of two years but may, when requested, expedite reviews; now, therefore, be it

Resolved by the Senate, That we urge the Institute of Medicine to expedite its review of two new studies on dioxin and diabetes mellitus and report its findings to the Secretary of the Department of Veterans Affairs so that the Secretary can make a recommendation on whether a presumption of service connection to diabetes should exist; and be it further

Resolved, That a copy of this resolution be transmitted to the Institute of Medicine and the Secretary of Veterans Affairs.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Rogers moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Rogers moved that the resolution be referred to the Committee on Health Policy.

The motion prevailed.

Senators Young and Peters were named co-sponsors of the resolution.

Senators Van Regenmorter, Sikkema, Stille, Schwarz, Hoffman, Gast, Steil, Bullard, Shugars, Johnson, Gougeon, Hammerstrom, Jaye, Bennett, McManus, North and Schuette offered the following resolution:

Senate Resolution No. 193.

A resolution urging the Michigan Attorney General to investigate the doubling of gasoline prices over the past year.

Whereas, Michigan's history and future are tied to the automotive industry. The dramatic gasoline price increases of the past year have stunned consumers nationwide. Michigan drivers have suffered from even more outrageous prices, leaving many wondering why this region should feel more of an impact than other areas. Many reasons have been put forward but none seem to explain adequately our predicament; and

Whereas, As the state most closely identified with the automobile industry, we feel the effects of high prices more deeply than others. We also bear a correspondingly higher responsibility to determine the causes of this economic bombshell so we may prevent future price crises. We must know whether the price increases have truly resulted from numerous free market factors or whether actors are manipulating real but otherwise benign trends in order to artificially force up gasoline prices. The Michigan Attorney General is the appropriate state officer to marshal the resources of the state to investigate a number of questions relative to the price increases; now, therefore, be it

Resolved by the Senate, That we urge the Michigan Attorney General to investigate the doubling of gasoline prices over the past year; and be it further

Resolved, That the Attorney General investigate and provide answers to the questions:

1. Where does each penny charged at the gas pump go now and a year ago prior to the price surge?
 2. Why are Michigan prices higher than other states when we are not a reformulation state?
 3. Why is the wholesale price of gasoline in Michigan higher than the cash markets in New York and Chicago?
 4. Did the pipeline disruption in Jackson have a legitimate impact on the West Michigan market?
 5. Have recent mergers in the oil industry adversely impacted competition and gasoline supplies in Michigan? Specifically, has the recent acquisition of distribution assets in Michigan left only one company in charge of too much of the distribution system?; and
 6. Does the current market structure promote competition and allow independent dealers to acquire adequate supplies and prevent arbitrary and artificial price increases?
- ; and be it further

Resolved, That a copy of this resolution be transmitted to the Michigan Attorney General.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Rogers moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Rogers moved that the resolution be referred to the Committee on Transportation and Tourism.

The motion prevailed.

Senators Young and Peters were named co-sponsors of the resolution.

Senators Miller, Peters, Koivisto, Byrum and DeBeaussaert offered the following resolution:

Senate Resolution No. 189.

A resolution to memorialize the Congress of the United States to investigate the rapid increase in gasoline prices and to take immediate action.

Whereas, The United States Environmental Protection Agency and the United States Department of Energy report that there are adequate gasoline supplies to keep prices in check. Further, 87 percent of the service stations in Michigan recently surveyed by the American Automobile Association report that they expect to have adequate gasoline supplies this summer; and

Whereas, Profits of the world's largest oil-producing companies tripled in the first three months of the year. Financial analysts predict that the companies will earn more revenue this year than ever before; and

Whereas, In the biggest weekly jump since 1973, when such statistics were first recorded, gasoline prices have soared in June. As of June 13, 2000, the statewide average cost per gallon was \$2.01, a 27-cent per gallon increase since the previous week. That was 87-cents per gallon higher than the same time last year. In Metro Detroit, as of the same date, the average cost per gallon was \$2.04, which was 40-cents higher than the previous week and 92-cents per gallon more than the same time last year; now, therefore, be it

Resolved by the Senate, That we memorialize the Congress of the United States to investigate the rapid increase in gasoline prices and to take immediate action; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Rogers moved that the rule be suspended.

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

The resolution was adopted.

Senators Young, Jaye and Stille were named co-sponsors of the resolution.

Senator Miller asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Miller's statement is as follows:

I'd like to thank the floor leader for moving this resolution. It's an important resolution in that we've witnessed some severity in gas prices in Michigan in the last three weeks. It seems like not only are people more concerned about the ever-rising price of gas in Michigan, but we're also by the storage seeing more and more gas stations closing because of no product to sell. I think that when you hear of reports in surrounding states with prices up to 60-70 cents a gallon lower than we have right here in Michigan, Michigan has been very, very fortunate, especially this time of the year to boost our tourist trade. We certainly don't need to see those people staying in their home states and not visiting the great campgrounds and parks and lakes that we have here in Michigan.

So I urge that we pass this resolution, send it immediately to our leaders in Washington, and demand some answers, Mr. President, on why Michigan consumers and Michigan drivers have to pay these outrageous, gouged prices where people in most cases will not visit our tourist attractions, but just find enough gas to get to their place of employment. So I thank the membership for taking up this important resolution and hope that we could get some answers before Michigan loses the tourists dollars this summer.

Senators Hoffman and Gougeon entered the Senate Chamber.

Senators Goschka, Schuette, Bullard, North, Steil, Van Regenmorter, Gougeon, Shugars, McManus, Johnson, Sikkema, McCotter, Stille, Bennett, Emmons, DeGrow, Gast, Schwarz, Hoffman, Hammerstrom, Jaye, Dunaskiss and Rogers offered the following resolution:

Senate Resolution No. 191.

A resolution memorializing the Congress of the United States to investigate the factors responsible for reduced gasoline supplies and the recent increases in retail gasoline prices.

Whereas, The recent surge in gasoline prices nationwide has shocked consumers. The federal government has struggled to find remedies for this new and unexpected burden. Matters relating to the federal role in regulating commerce, new foreign demand for oil as overseas economies recover from economic crises, and the decision by oil producing nations to reduce output have contributed to this situation. Even the federal government will face limits on what it can do to influence global circumstances; and

Whereas, Although the rise in gasoline prices is a national problem, gasoline prices in Michigan are amongst the highest in the nation. As families here and around the country plan their vacations, the cost of gasoline may well harm Michigan's tourism industry as people seek locales closer to home. The state's automobile industry is bound to suffer if unreasonably high gasoline prices persist as will the agricultural sector. Michigan consumers have been economically overwhelmed by the near-doubling of the retail price of a gallon of gasoline within the last year. For those living paycheck to paycheck, purchasing fuel just to make it to work is difficult; and

Whereas, Despite the global factors that have contributed to the tremendous increase in gasoline prices, a number of measures at the national level may provide some relief until global circumstances become more favorable. Identifying why gasoline stockpiles were allowed to fall so low, examining the impact of new regulations requiring cleaner-burning fuel, and exploring ways of using the Strategic Petroleum Reserve are issues that Congress should explore; now, therefore, be it

Resolved by the Senate, That we memorialize the Congress of the United States to investigate the factors responsible for reduced gasoline supplies and the recent increases in retail gasoline prices; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Rogers moved that the rule be suspended.

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

The resolution was adopted.

Senators Young and Peters were named co-sponsors of the resolution.

Senator Goschka asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Goschka's statement is as follows:

Members of the Senate, I have sponsored this resolution because I do believe that the increase in prices in fuel in the state of Michigan and throughout the Midwest, in particular, is very wrong and absolutely must be investigated, and the sooner the better. There's no question that individuals, particularly on fixed incomes or senior citizens, mainly in my mind, as well as all of the hardworking people in Michigan are paying very high prices for their fuel, and this is just the beginning. We really need to clamp down on this issue. Although it is mainly a federal matter, as the Michigan Legislature, we must stand tall for the people whom we represent and make it very clear that we first as legislators and secondly as fellow consumers with our constituents are upset, angry, and mad. We want some answers as to why these fuel prices are so high.

The obvious question is are antitrust laws being broken? Has there been collusion? Is there price gouging? Circumstantially every one of the answers would appear to be yes. But it behooves our Congress, our President, our Attorney General, and anyone with authority to look into this matter, and stand up for the people of this nation to ensure that there is no collusion; that there is no price gouging; that antitrust laws are not being broken.

So I ask that we vote for this resolution for the people we represent. It is wrong to see the increase in prices that we have seen. We know that in our parts of the country gas is marketably lower in price, but here it is very high. Let us stand tall today for the people whom we represent and vote for this resolution. It is the least we can do, and indeed, it is only the beginning. We are going to get to the bottom of this problem. We owe it to our constituents to do that.

The Assistant President pro tempore, Senator Hoffman, assumed the Chair.

Senators Emerson and Schwarz entered the Senate Chamber.

Senators Stille, Bennett, Schuette, Steil, Van Regenmorter, Gougeon, Sikkema, North, Shugars, Hammerstrom, Emmons, McManus, Schwarz, Johnson, Hoffman, Bullard, Rogers, Dunaskiss, Gast, McCotter, Jaye and Goschka offered the following resolution:

Senate Resolution No. 192.

A resolution memorializing the United States Congress to initiate a study to determine the causes of the recent gasoline price surge.

Whereas, Gasoline prices have doubled in recent months from their levels of 1999. The prices in Michigan and other areas of the Midwest surpass the national increases by wide margins. Consumers have been shocked and their lives disrupted by this tremendous increase. Motor vehicles are part of the fabric of our culture and economy and any disruptions in our ability to keep the wheels rolling are cause for deep concern; and

Whereas, No single event has prompted our present situation. Instead, separate events and decisions occurring in our own backyard and around the globe have combined to drive prices to levels that are unacceptable if we are to maintain a strong and vibrant economy. The causes are murky, and the measures needed to reduce prices and prevent rapid price surges are not clear. We can repair a pipeline and restore the flow of gasoline to Michigan, but how do we address the cause of a shortage of fuel for Michigan gas stations; and

Whereas, It is reported that major oil companies have an abundant supply of gasoline while independent dealers are being cut off from adequate supplies. Only when all dealers have normal access to gasoline supplies will competition be reintroduced and will no single wholesaler monopolize supply and pricing. The United States Congress, as the chosen representatives of the American people, must step forward to investigate this issue in order to prevent another price surge. Without a complete grasp of the complex factors involved, we will be unable to cope with similar problems in the future and will instead simply place our trust in fate and the good will of others; now, therefore, be it

Resolved by the Senate, That we memorialize the United States Congress to initiate a study to determine the causes of the recent gasoline price surge; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Rogers moved that the rule be suspended.

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

The resolution was adopted.

Senators Young and Peters were named co-sponsors of the resolution.

Senators Goschka, Schuette, Bullard, Steil, Van Regenmorter, Gougeon, Shugars, McManus, Johnson, Sikkema, McCotter, Stille, Bennett, Emmons, DeGrow, Gast, Schwarz, Hoffman, Hammerstrom, Jaye, Dunaskiss, Rogers and North offered the following concurrent resolution:

Senate Concurrent Resolution No. 40.

A concurrent resolution memorializing the Congress of the United States to investigate the factors responsible for reduced gasoline supplies and the recent increases in retail gasoline prices.

Whereas, The recent surge in gasoline prices nationwide has shocked consumers. The federal government has struggled to find remedies for this new and unexpected burden. Matters relating to the federal role in regulating commerce, new foreign demand for oil as overseas economies recover from economic crises, and the decision by oil producing nations to reduce output have contributed to this situation. Even the federal government will face limits on what it can do to influence global circumstances; and

Whereas, Although the rise in gasoline prices is a national problem, gasoline prices in Michigan are amongst the highest in the nation. As families here and around the country plan their vacations, the cost of gasoline may well harm Michigan's tourism industry as people seek locales closer to home. The state's automobile industry is bound to suffer if unreasonably high gasoline prices persist as will the agricultural sector. Michigan consumers have been economically overwhelmed by the near-doubling of the retail price of a gallon of gasoline within the last year. For those living paycheck to paycheck, purchasing fuel just to make it to work is difficult; and

Whereas, Despite the global factors that have contributed to the tremendous increase in gasoline prices, a number of measures at the national level may provide some relief until global circumstances become more favorable. Identifying why gasoline stockpiles were allowed to fall so low, examining the impact of new regulations requiring cleaner-burning fuel, and exploring ways of using the Strategic Petroleum Reserve are issues that Congress should explore; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we memorialize the Congress of the United States to investigate the factors responsible for reduced gasoline supplies and the recent increases in retail gasoline prices; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

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

Senator Rogers moved that the rule be suspended.

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

The concurrent resolution was adopted.

Senators Young and Peters were named co-sponsors of the concurrent resolution.

Senators Schuette, Shugars, Bennett, Steil, Stille, Bullard, Schwarz, McCotter, North, Johnson, Hammerstrom and Dunaskiss offered the following resolution:

Senate Resolution No. 194.

A resolution to urge the Clinton-Gore Administration to expedite settlement of legal action against the Microsoft Corporation.

Whereas, The legal action commenced by the Clinton-Gore Administration against the Microsoft Corporation was without merit and represents a harsh penalty against innovation, new technology, wealth creation, and economic growth not only against a major job provider and small investors, but against consumers as well; and

Whereas, The federal antitrust litigation set in motion by the Justice Department is based on statute devised decades ago and is ill-suited for applying standards against 21st century high-tech firms, with technological innovation and product life cycle measured in months rather than years; and

Whereas, The Clinton-Gore litigation has destroyed billions of dollars in wealth, squashed the wealth-building capability of small investors, caused turmoil and uncertainty in the high-tech and computer markets, and will cause a slowdown in development in new technologies; and

Whereas, The appeal commenced by the Microsoft Corporation gives both sides an opportunity to again approach settlement talks, and each side has an opportunity to prevent the long delays in settling this issue; and

Whereas, The lengthy delays associated with settling this matter has resulted in significant economic unrest, as investors and consumers make decisions based not on sound economic data, but on unpredictable legal outcomes; and

Whereas, The failure of the Clinton-Gore effort to settle this matter in a timely manner and without damaging the company is far greater than any possible benefits of breaking up the Microsoft Corporation; now, therefore, be it

Resolved by the Senate, That we urge the Clinton-Gore Administration and the United States Department of Justice to refrain from further interference in the orderly development of the computer hardware and software industry by expediting settlement of legal action against the Microsoft Corporation in a manner that does not cause further harm to the company; and be it further

Resolved, That a copy of this resolution be transmitted to the United States Department of Justice.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Rogers moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Rogers moved that the resolution be referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

The motion prevailed.

Senate Concurrent Resolution No. 41.

A concurrent resolution prescribing the legislative schedule.

(For text of resolution, see Senate Journal No. 57, p. 1493.)

The House of Representatives has adopted the concurrent resolution.

The concurrent resolution was referred to the Secretary for record.

By unanimous consent the Senate returned to the order of
Messages from the House

Senate Bill No. 963, entitled

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2001; to provide for the expenditures of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

(For Conference Report, see Senate Journal No. 57, p. 1428.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 1044, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 8, 11, 11f, 11g, 19, 20, 20j, 21b, 24, 26a, 31a, 31c, 31d, 32, 36, 36a, 39, 40, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91c, 94, 99, 101, 102, 104a, 105, 105b, 105c, 107, 147, 151, 152, and 163 (MCL 388.1603, 388.1606, 388.1608, 388.1611, 388.1611f, 388.1611g, 388.1619, 388.1620, 388.1620j, 388.1621b, 388.1624, 388.1626a, 388.1631a, 388.1631c, 388.1631d, 388.1632, 388.1636, 388.1636a, 388.1639, 388.1640, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1691c, 388.1694, 388.1699, 388.1701, 388.1702, 388.1704a, 388.1705, 388.1705b, 388.1705c, 388.1707, 388.1747, 388.1751, 388.1752, and 388.1763), sections 6, 11, 11f, 11g, 20, 24, 26a, 31a, 31c, 36, 36a, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 94, 99, 101, 104a, 105, 107, and 147 as amended and sections 20j, 31d, 32, and 105c as added by 1999 PA 119, sections 3 and 151 as amended by 1997 PA 93, sections 8 and 39 as amended by 1997 PA 142, sections 19, 21b, 102, and 163 as amended by 1996 PA 300, section 40 as amended by 1991 PA 118, section 91c as added by 1995 PA 130, section 105b as added by 1997 PA 24, and section 152 as amended by 1993 PA 175, and by adding sections 20l, 22a, 22b, 22c, 51c, 94a, 101b, and 108; and to repeal acts and parts of acts.

(For Conference Report, see Senate Journal No. 57, p. 1364.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 968, entitled

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

(For Conference Report, see Senate Journal No. 57, p. 1315.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Recess

Senator Rogers moved that the Senate recess subject to the call of the President.
The motion prevailed, the time being 10:07 a.m.

10:10 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Hoffman.

By unanimous consent the Senate returned to the order of
Conference Reports

Senator Gougeon submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 964, entitled

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal years ending September 30, 2000 and September 30, 2001; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; to provide for disposition of fees and other income received by the various state agencies; and to repeal acts and parts of acts.

Recommends:

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

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; to provide for disposition of fees and other income received by the various state agencies; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS - FISCAL YEAR 2000-2001

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2001, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	6,258.1	
Average population	1,528.0	
GROSS APPROPRIATION		\$ 8,564,377,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		\$ 72,087,300
ADJUSTED GROSS APPROPRIATION		\$ 8,492,290,600
Federal revenues:		
Total federal revenues		4,461,470,600
Special revenue funds:		
Total local revenues		910,969,100
Total private revenues		49,649,300
Tobacco settlement revenue		86,021,400
Total other state restricted revenues		297,189,000
State general fund/general purpose		\$ 2,686,991,200

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	514.7	
Director and other unclassified—6.0 FTE positions		\$ 570,100

	For Fiscal Year Ending Sept. 30, 2001
Community health advisory council.....	\$ 28,900
Departmental administration and management—491.7 FTE positions.....	55,428,000
Certificate of need program administration—13.0 FTE positions.....	918,400
Worker's compensation program—1.0 FTE position.....	11,512,500
Rent and building occupancy	8,715,200
Developmental disabilities council and projects—9.0 FTE positions	2,734,200
GROSS APPROPRIATION	\$ 79,907,300
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority.....	98,800
Federal revenues:	
Total federal revenues	24,409,600
Special revenue funds:	
Private funds	35,900
Total other state restricted revenues	3,559,900
State general fund/general purpose	\$ 51,803,100
Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
ADMINISTRATION AND SPECIAL PROJECTS	
Full-time equated classified positions	112.0
Mental health/substance abuse program administration—112.0 FTE positions	\$ 10,510,500
Consumer involvement program.....	314,100
Gambling addiction.....	3,500,000
Protection and advocacy services support	818,300
Mental health initiatives for older persons	1,615,800
Community residential and support services	5,646,800
Highway safety projects.....	2,337,200
Federal and other special projects	6,977,200
GROSS APPROPRIATION	\$ 31,719,900
Federal revenues:	
Total federal revenues	11,548,100
Special revenue funds:	
Total private revenues	125,000
Total other state restricted revenues	3,682,300
State general fund/general purpose	\$ 16,364,500
Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
PROGRAMS	
Full-time equated classified positions	4.0
Medicaid mental health services	\$ 1,182,449,100
Community mental health non-Medicaid services	311,801,500
Multicultural services	3,848,000
Medicaid substance abuse services	24,851,000
Respite services	3,318,600
CMHSP-purchase of state services contracts	166,918,500
Civil service charges	2,606,400
Federal mental health block grant—2.0 FTE positions	10,849,900
Pilot projects in prevention for adults and children—2.0 FTE positions	994,700
State disability assistance program substance abuse services	6,600,000
Community substance abuse prevention, education and treatment programs.....	83,740,400
GROSS APPROPRIATION	\$ 1,797,978,100
Appropriated from:	
Federal revenues:	
Total federal revenues	752,995,800
Special revenue funds:	
Total other state restricted revenues	6,342,400
State general fund/general purpose	\$ 1,038,639,900

For Fiscal Year
Ending Sept. 30,
2001

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

Total average population	1,528.0	
Full-time equated classified positions	4,699.0	
Caro regional mental health center-psychiatric hospital-adult—518.0 FTE positions.....		\$ 35,643,500
Average population	200.0	
Kalamazoo psychiatric hospital-adult—376.0 FTE positions		27,080,300
Average population	125.0	
Northville psychiatric hospital-adult—862.0 FTE positions.....		63,889,500
Average population	385.0	
Walter P. Reuther psychiatric hospital-adult—440.0 FTE positions		34,794,800
Average population	215.0	
Hawthorn center-psychiatric hospital-children and adolescents—330.0 FTE positions		23,098,800
Average population	118.0	
Mount Pleasant center-developmental disabilities—472.0 FTE positions.....		29,878,000
Average population	195.0	
Southgate center-developmental disabilities—228.0 FTE positions.....		15,589,900
Average population	80.0	
Center for forensic psychiatry—522.0 FTE positions		39,151,000
Average population	210.0	
Forensic mental health services provided to the department of corrections— 938.0 FTE positions		71,380,700
Revenue recapture.....		750,000
IDEA, federal special education.....		92,000
Special maintenance and equipment.....		879,000
Purchase of medical services for residents of hospitals and centers.....		1,700,000
Closed site, transition, and related costs—13.0 FTE positions		510,300
Severance pay		896,000
Gifts and bequests for patient living and treatment environment.....		2,000,000
GROSS APPROPRIATION		\$ 347,333,800
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of corrections.....		71,380,700
Federal revenues:		
Total federal revenues		32,934,200
Special revenue funds:		
CMHSP-purchase of state services contracts		166,918,500
Other local revenues		16,596,400
Private funds		2,000,000
Total other state restricted revenues		16,473,100
State general fund/general purpose		\$ 41,030,900

Sec. 106. PUBLIC HEALTH ADMINISTRATION

Full-time equated classified positions	88.3	
Executive administration—15.5 FTE positions		\$ 1,367,100
Minority health grants and contracts.....		650,000
Vital records and health statistics—72.8 FTE positions		6,167,700
GROSS APPROPRIATION		\$ 8,184,800
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from family independence agency		137,800
Federal revenues:		
Total federal revenues		2,809,800
Special revenue funds:		
Total other state restricted revenues		2,036,600
State general fund/general purpose		\$ 3,200,600

For Fiscal Year
Ending Sept. 30,
2001

Sec. 107. INFECTIOUS DISEASE CONTROL

Full-time equated classified positions	44.3	
AIDS prevention, testing and care programs—9.8 FTE positions		\$ 22,218,400
Immunization local agreements		14,190,300
Immunization program management and field support—7.7 FTE positions		1,698,900
Sexually transmitted disease control local agreements		2,460,700
Sexually transmitted disease control management and field support—26.8 FTE positions		2,825,800
GROSS APPROPRIATION		\$ 43,394,100
Appropriated from:		
Federal revenues:		
Total federal revenues		29,300,600
Special revenue funds:		
Private funds		1,155,000
Total other state restricted revenues		6,937,700
State general fund/general purpose		\$ 6,000,800

Sec. 108. LABORATORY SERVICES

Full-time equated classified positions	118.2	
Laboratory services—118.2 FTE positions		\$ 12,566,100
Lyme disease grant		75,000
GROSS APPROPRIATION		\$ 12,641,100
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from environmental quality		389,400
Federal revenues:		
Total federal revenues		2,028,000
Special revenue funds:		
Total other state restricted revenues		3,607,400
State general fund/general purpose		\$ 6,616,300

Sec. 109. EPIDEMIOLOGY

Full-time equated classified positions	31.5	
AIDS surveillance and prevention program—7.0 FTE positions		\$ 1,772,800
Epidemiology administration—24.5 FTE positions		5,080,900
Tuberculosis control and recalcitrant AIDS program		498,300
GROSS APPROPRIATION		\$ 7,352,000
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of environmental quality		80,600
Federal revenues:		
Total federal revenues		4,679,100
Special revenue funds:		
Total other state restricted revenues		231,000
State general fund/general purpose		\$ 2,361,300

Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS

Full-time equated classified positions	3.0	
Implementation of 1993 PA 133, MCL 333.17015		\$ 100,000
Lead abatement program—3.0 FTE positions		2,835,500
Local health services		512,300
Local public health operations		41,070,200
Medical services cost reimbursement to local health departments		1,800,000
Special populations health care		620,600
GROSS APPROPRIATION		\$ 46,938,600
Appropriated from:		
Federal revenues:		
Total federal funds		3,791,000
Special revenue funds:		
Total other state restricted revenues		1,243,500
State general fund/general purpose		\$ 41,904,100

For Fiscal Year
Ending Sept. 30,
2001

Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH

PROMOTION

Full-time equated classified positions	33.7	
AIDS and risk reduction clearinghouse and media campaign.....	\$	1,982,200
Alzheimer's information network.....		440,000
Cancer prevention and control program—13.6 FTE positions.....		12,505,100
Chronic disease prevention		3,103,400
Diabetes program—9.0 FTE positions		4,197,200
Early childhood collaborative secondary prevention		1,750,000
Employee wellness program grants (includes \$50.00 per diem and expenses for the risk reduction and AIDS policy commission).....		6,259,300
Health education, promotion, and research programs—2.9 FTE positions		1,318,100
Injury control intervention project		1,052,800
Michigan Parkinson's foundation.....		200,000
Morris J. Hood Wayne State University diabetes outreach.....		500,000
Physical fitness, nutrition, and health		1,250,000
Public health traffic safety coordination.....		415,000
School health and education programs.....		2,182,800
Smoking prevention program—6.2 FTE positions.....		7,263,800
Tobacco tax collection and enforcement		810,000
Violence prevention—2.0 FTE positions.....		3,235,500
GROSS APPROPRIATION	\$	48,465,200

Appropriated from:

Federal revenues:

Total federal funds		12,237,300
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Special revenue funds:

Total other state restricted revenues		32,245,100
State general fund/general purpose	\$	3,982,800

Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES

Full-time equated classified positions	88.8	
Adolescent health care services	\$	3,742,300
Childhood lead program—5.0 FTE positions		1,397,800
Children's waiver home care program.....		22,365,100
Community living, children, and families administration—73.3 FTE positions		7,658,600
Dental programs.....		510,400
Dental program for persons with developmental disabilities		151,000
Family planning local agreements.....		8,100,000
Family support subsidy		14,276,700
Housing and support services—1.0 FTE position.....		4,830,900
Local MCH services		9,050,200
Medicaid outreach and service delivery support.....		8,488,600
Migrant health care		166,100
Newborn screening follow-up and treatment services		2,123,400
Omnibus reconciliation act implementation—9.0 FTE positions.....		12,757,000
Pediatric AIDS prevention and control.....		985,300
Pregnancy prevention program.....		7,196,100
Prenatal care outreach and service delivery support.....		4,299,300
Southwest community partnership		2,247,300
Special projects—0.5 FTE position.....		4,726,600
Sudden infant death syndrome program		321,300
GROSS APPROPRIATION	\$	115,394,000

Appropriated from:

Federal revenues:

Total federal revenue.....		71,588,500
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Special revenue funds:

Private funds		261,100
Total other state restricted revenues		8,574,200
State general fund/general purpose	\$	34,970,200

For Fiscal Year
Ending Sept. 30,
2001

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

Full-time equated classified positions	42.0	
Women, infants, and children program administration and special projects—		
42.0 FTE positions		\$ 5,017,100
Women, infants, and children program local agreements and food costs.....		156,882,400
GROSS APPROPRIATION		\$ 161,899,500
Appropriated from:		
Federal revenues:		
Total federal revenue.....		117,452,200
Special revenue funds:		
Total private revenue.....		44,447,300
State general fund/general purpose		\$ 0

Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES

Full-time equated classified positions	66.6	
Children's special health care services administration—66.6 FTE positions		\$ 5,434,400
Amputee program		184,600
Bequests for care and services		1,329,600
Case management services		3,923,500
Conveyor contract		559,100
Medical care and treatment		130,005,400
GROSS APPROPRIATION		\$ 141,436,600
Appropriated from:		
Federal revenues:		
Total federal revenue.....		66,177,100
Special revenue funds:		
Private-bequests		900,000
Total other state restricted revenues		4,048,500
State general fund/general purpose		\$ 70,311,000

Sec. 115. OFFICE OF DRUG CONTROL POLICY

Full-time equated classified positions	17.0	
Drug control policy—17.0 FTE positions		\$ 1,933,700
Anti-drug abuse grants		25,841,700
GROSS APPROPRIATION		\$ 27,775,400
Appropriated from:		
Federal revenues:		
Total federal revenue.....		27,395,800
State general fund/general purpose		\$ 379,600

Sec. 116. CRIME VICTIM SERVICES COMMISSION

Full-time equated classified positions	9.0	
Grants administration services—9.0 FTE positions.....		\$ 1,033,800
Justice assistance grants.....		15,000,000
Crime victim rights services grants.....		7,955,300
GROSS APPROPRIATION		\$ 23,989,100
Appropriated from:		
Federal revenues:		
Total federal revenue.....		15,840,200
Special revenue funds:		
Total other state restricted revenues		7,641,200
State general fund/general purpose		\$ 507,700

Sec. 117. OFFICE OF SERVICES TO THE AGING

Full-time equated classified positions	40.5	
Commission (per diem \$50.00)		\$ 10,500
Long-term care advisor—3.0 FTE positions.....		3,021,400
Office of services to aging administration—37.5 FTE positions		4,070,300
Community services.....		28,907,900

	For Fiscal Year Ending Sept. 30, 2001
Nutrition services.....	\$ 28,248,000
Senior volunteer services	6,000,000
Senior citizen centers staffing and equipment	2,140,700
Employment assistance	2,748,000
DAG commodity supplement	7,200,000
Michigan pharmaceutical program	1,500,000
Respite care program	7,100,000
Senior olympics	100,000
GROSS APPROPRIATION	\$ 91,046,800
Appropriated from:	
Federal revenues:	
Total federal revenue.....	40,954,200
Special revenue funds:	
Total private revenue.....	125,000
Tobacco settlement revenue	8,021,400
Total other state restricted revenue.....	5,200,000
State general fund/general purpose	\$ 36,746,200
Sec. 118. MEDICAL SERVICES ADMINISTRATION	
Full-time equated classified positions	345.5
Medical services administration—343.7 FTE positions.....	\$ 49,718,200
Data processing contractual services.....	100
Facility inspection contract - state police.....	132,800
MIChild administration.....	3,327,800
Michigan essential health care provider	1,229,100
Palliative and hospice care	525,000
Primary care services—1.8 FTE positions	3,700,000
GROSS APPROPRIATION	\$ 58,633,000
Appropriated from:	
Federal revenues:	
Total federal revenues	36,730,800
Special revenue funds:	
Private funds	100,000
Total other state restricted revenues	1,172,100
State general fund/general purpose	\$ 20,630,100
Sec. 119. MEDICAL SERVICES	
Hospital services and therapy	\$ 713,289,700
Hospital disproportionate share payments.....	45,000,000
Physician services.....	152,533,000
Medicare premium payments	129,574,000
Pharmaceutical services	387,680,300
Home health services	28,184,000
Transportation.....	6,571,100
Auxiliary medical services	78,217,700
Long-term care services	1,212,792,000
Elder prescription insurance coverage.....	37,500,700
Health plan services.....	1,333,561,300
MIChild outreach.....	3,327,800
MIChild program	57,567,100
Personal care services	30,329,400
Maternal and child health	9,234,500
Adult home help	158,781,400
Social services to the physically disabled	1,344,900
Subtotal basic medical services program.....	4,385,488,900
Wayne County medical program	44,012,800
School based services	142,782,300
State and local medical programs	56,724,200

	For Fiscal Year Ending Sept. 30, 2001
Special adjustor payments.....	\$ 891,280,400
Subtotal special medical services payments	1,134,799,700
GROSS APPROPRIATION	\$ 5,520,288,600
Appropriated from:	
Federal revenues:	
Total federal revenues	3,208,598,300
Special revenue funds:	
Local revenues	727,454,200
Private funds	500,000
Tobacco settlement revenue	78,000,000
Total other state restricted revenues	194,194,000
State general fund/general purpose	\$ 1,311,542,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2000-2001

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2000-2001 is \$3,070,201,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2000-2001 is \$1,027,454,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF COMMUNITY HEALTH

DEPARTMENTWIDE ADMINISTRATION

Departmental administration and management.....	\$ 2,000,000
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MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

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

Pilot projects in prevention for adults and children.....	913,200
State disability assistance program substance abuse services	6,600,000
Community substance abuse prevention, education, and treatment programs.....	18,673,500
Medicaid mental health services	517,871,100
Community mental health non-Medicaid services	311,801,500
Multicultural services	3,848,000
Medicaid substance abuse services	10,890,000
Respite services	3,318,600

INFECTIOUS DISEASE CONTROL

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

LOCAL HEALTH ADMINISTRATION AND GRANTS

Special population health care	29,600
Local public health operations	41,070,200

CHRONIC DISEASE, INJURY, AND HEALTH PROMOTION

Cancer prevention and control program	397,000
Diabetes program.....	1,275,000
Employee wellness programs	1,545,100
School health and education programs.....	2,000,000
Smoking prevention program	2,880,000

COMMUNITY LIVING, CHILDREN, AND FAMILIES

Adolescent health care services	1,908,000
Family planning local agreements.....	1,230,300
Homelessness formula grant program - state match	708,800
Local MCH services	246,100
OBRA implementation.....	2,459,100
Pregnancy prevention program.....	2,511,800
Prenatal care outreach and service delivery support.....	1,250,000

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Case management services.....	1,433,200
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MEDICAL SERVICES

Special adjustor payments.....	1,383,800
Hospital disproportionate share payments.....	18,000,000
Hospital services and therapy	17,559,300
Physician services	5,305,100
Pharmaceutical services	7,265,000
Home health services	1,195,200
Transportation	184,500

OFFICE OF SERVICES TO THE AGING

Community services.....	13,681,400
Nutrition services.....	12,363,000
Senior volunteer services	3,845,400
Michigan pharmaceutical program	140,000
Respite care program	2,000,000

CRIME VICTIM SERVICES COMMISSION

Crime victim rights services grants	4,585,700
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TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT \$ 1,027,454,000

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

(2) Funds for which the state is acting as the custodian or agent are not subject to annual appropriation.

Sec. 203. As used in this act:

- (a) "ACCESS" means Arab community center for economic and social services.
- (b) "AIDS" means acquired immunodeficiency syndrome.
- (c) "CMHSP" means a community mental health service program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- (d) "DAG" means the United States department of agriculture.
- (e) "Disease management" means a comprehensive system that incorporates the patient, physician, and health plan into 1 system with the common goal of achieving desired outcomes for patients.
- (f) "Department" means the Michigan department of community health.
- (g) "DSH" means disproportionate share hospital.
- (h) "EPIC" means elder prescription insurance coverage program.
- (i) "EPSDT" means early and periodic screening, diagnosis, and treatment.
- (j) "FTE" means full-time equated.
- (k) "GME" means graduate medical education.
- (l) "HIV" means human immunodeficiency virus.
- (m) "HMO" means health maintenance organization.
- (n) "IDEA" means individual disability education act.
- (o) "MCH" means maternal and child health.
- (p) "MSS/ISS" means maternal and infant support services.
- (q) "OBRA" means the omnibus budget reconciliation act of 1987, Public Law 100-203, 101 Stat. 1330.
- (r) "Qualified health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.
- (s) "Title XVIII" means title XVIII of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2, 1395b-6 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to 1395t, 1395u to 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28, 1395x to 1395yy, and 1395bbb to 1395ggg.
- (t) "Title XIX" means title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396f, 1396g-1 to 1396r-6, and 1396r-8 to 1396v.
- (u) "WIC" means women, infants, and children supplemental nutrition program.

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

Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services. The state budget director shall report by the fifteenth of each month to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the justification for the exception.

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

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 208. The department shall continue to pilot the use of the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or legislative Intranet site. The senate and house of representatives appropriations subcommittees and senate and house fiscal agencies shall be notified in writing of the Internet or Intranet site of any such report. Quarterly, the department shall provide a cumulative listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, and a list of those reports expected to be transmitted in the following quarter.

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

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

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

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

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

(a) Maternal and child health block grant	\$ 20,977,000.
(b) Preventive health and health services block grant	\$ 6,347,100.
(c) Substance abuse block grant.....	\$ 61,371,200.
(d) Healthy Michigan fund.....	\$ 45,417,500.
(e) Michigan health initiative	\$ 9,900,800.

(2) On or before February 1, 2001, the department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 of this act.

(3) Upon the release of the fiscal year 2001-02 executive budget recommendation, the department shall report to the same parties in subsection (2) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in part 1 of the fiscal year 2001-02 executive budget proposal.

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

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds from part 1 shall report by November 1, 2000, to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the state budget director on the following:

(a) Detailed spending plan by appropriation line item including description of programs.

(b) Allocations from funds appropriated under these sections.

(c) Description of allocations or bid processes including need or demand indicators used to determine allocations.

(d) Eligibility criteria for program participation and maximum benefit levels where applicable.

(e) Outcome measures to be used to evaluate programs.

(f) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

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

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

(2) The department's ability to satisfy appropriation deductions in part 1 shall not be limited to collections and accruals pertaining to services provided in fiscal year 2000-2001, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

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

Sec. 217. On or before the tenth of each month, the department shall report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to the CMHSPs to support the Medicaid managed mental health care program in that month. The information shall include the total paid to each CMHSP, per capita rate paid for each eligibility group for each CMHSP, and number of cases in each eligibility group for each CMHSP, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

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

Sec. 219. (1) The department may contract with the Michigan public health institute for the design and implementation of projects and for other public health related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the institute to carry out these purposes for up to a 3-year period. The department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before November 1, 2000 and May 1, 2001 all of the following:

(a) A detailed description of each funded project.

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

(c) The expected project duration.

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

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

(3) On or before September 30, 2001, the department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan public health institute, its subcontractors, or the department with the funds appropriated in part 1 and allocated to the Michigan public health institute.

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

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

DEPARTMENTWIDE ADMINISTRATION

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

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

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

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

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

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

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

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

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

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

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

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

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

(f) A system of continuous quality improvement.

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

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

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

Sec. 402. (1) From funds appropriated in part 1, final authorizations to CMHSPs shall be made upon the execution of contracts between the department and CMHSPs. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs entered into under this subsection for fiscal year 2000-2001 does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

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

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

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

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

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

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

(2) The report shall contain information for each community mental health services board and a statewide summary, each of which shall include at least the following information:

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

- (b) Per capita expenditures by client population group.
- (c) Financial information which, minimally, shall include a description of funding authorized; expenditures by client group and fund source; and cost information by service category, including administration. Service category shall include all department approved services.
- (d) Data describing service outcomes which shall include, but not be limited to, an evaluation of consumer satisfaction, consumer choice, and quality of life concerns including, but not limited to, housing and employment.
- (e) Information about access to community mental health services programs which shall include but not be limited to both of the following:
 - (i) The number of people receiving requested services.
 - (ii) The number of people who requested services but did not receive services.
 - (iii) The number of people requesting services who are on waiting lists for services.
 - (iv) The average length of time that people remained on waiting lists for services.
- (f) The number of second opinions requested under the code and the determination of any appeals.
- (g) An analysis of information provided by community mental health service programs in response to the needs assessment requirements of the mental health code, including information about the number of persons in the service delivery system who have requested and are clinically appropriate for different services.
- (h) An estimate of the number of FTEs employed by the CMHSPs or contracted with directly by the CMHSPs as of September 30, 2000 and an estimate of the number of FTEs employed through contracts with provider organizations as of September 30, 2000.
 - (i) Lapses and carryforwards during fiscal year 1999-2000 for CMHSPs.
 - (j) Contracts for mental health services entered into by CMHSPs with providers, including amounts and rates, organized by type of service provided.
- (k) Information on the community mental health Medicaid managed care program, including, but not limited to, both of the following:
 - (i) Expenditures by each CMHSP organized by Medicaid eligibility group, including per eligible individual expenditure averages.
 - (ii) Performance indicator information required to be submitted to the department in the contracts with CMHSPs.
- (3) The department shall include data reporting requirements listed in subsection (2) in the annual contract with each individual CMHSP.
- (4) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs.

Sec. 405. It is the intent of the legislature that the employee wage pass-through funded to the community mental health services programs for direct care workers in local residential settings and for paraprofessional and other nonprofessional direct care workers in day programs, supported employment, and other vocational programs that was funded beginning April 1, 1999 shall continue to be paid to direct care workers in fiscal year 2000-2001.

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

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

Sec. 407. (1) The amount appropriated in part 1 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies or designated service providers. It is the intent of the legislature that the coordinating agencies and designated service providers work with the CMHSPs to coordinate the care and services provided to individuals with both mental illness and substance abuse diagnoses.

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

Sec. 408. (1) By April 15, 2001, the department shall report the following data from fiscal year 1999-2000 on substance abuse prevention, education, and treatment programs to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office:

- (a) Expenditures stratified by coordinating agency, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type. Additionally, data on administrative expenditures by coordinating agency and by subcontractor shall be reported.
- (b) Expenditures per state client, with data on the distribution of expenditures reported using a histogram approach.
- (c) Number of services provided by central diagnosis and referral agency, by subcontractor, and by service type. Additionally, data on length of stay, referral source, and participation in other state programs.

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

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

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

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

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

(2) Each CMHSP shall have jail diversion services and shall work toward establishing working relationships with representative staff of local law enforcement agencies. Such agencies include the county prosecutors' offices, county sheriffs' offices, county jails, municipal police agencies, municipal detention facilities, and the courts. Written interagency agreements describing what services each participating agency is prepared to commit to the local jail diversion effort and the procedures to be used by local law enforcement agencies to access mental health jail diversion services are strongly encouraged.

Sec. 412. The department shall contract directly with the Salvation Army harbor light program to provide non-Medicaid substance abuse services.

Sec. 413. In fiscal year 2000-2001, the department shall develop a plan that conforms to the requirements of the health care finance administration for competitive procurement of contracts to manage Medicaid mental health, developmental disabilities, and substance abuse services. The department shall submit the plan to the appropriations subcommittees for community health of both the house of representatives and senate and to the health care financing administration. The plan shall continue a carve-out for specialty services for persons with developmental disabilities and mental illness and requiring substance abuse services. If the health care financing administration approves the plan, the department may implement a competitive bid pilot program that complies with the approved plan. In fiscal year 2000-2001, the department shall not implement a statewide competitive bid process.

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

Sec. 416. (1) Of the funds appropriated in part 1 for pharmaceutical services, community mental health boards shall not be held liable for the cost of prescribed psychotropic medications during fiscal year 2000-2001.

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

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

(4) Should expenditures for Medicaid mental health services exceed the appropriations contemplated in part 1 due to an increase in the number or mix of Medicaid eligibles, the department shall recommend the transfer of appropriation lapses as may be necessary to offset such expenditures.

Sec. 417. (1) It is the intent of the legislature that the department support pilot projects by community mental health boards to establish regional partnerships.

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

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

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

(5) The department shall provide quarterly reports to the senate and house of representatives appropriations subcommittees and their respective fiscal agencies, as to any activities by community mental health boards to form regional partnerships under this section.

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

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

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

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$2,000,000.00 remaining on September 30, 2001 from pay telephone revenues and the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

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

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

(a) The number of days of care purchased from state hospitals and centers.

(b) The number of days of care purchased from private hospitals in lieu of purchasing days of care from state hospitals and centers.

(c) The number and type of alternative placements to state hospitals and centers other than private hospitals.

(d) Waiting lists for placements in state hospitals and centers.

(2) The department shall semiannually report the information in subsection (1) to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

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

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

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

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

PUBLIC HEALTH ADMINISTRATION

Sec. 703. The availability of \$200,000.00 for vital records and health systems is contingent upon the enactment of legislation that amends section 2891 of the public health code, 1978 PA 368, MCL 333.2891, to increase fees for vital records services in an amount sufficient to produce \$200,000.00 in fee revenue anticipated to be received annually, and that fee increase taking effect.

INFECTIOUS DISEASE CONTROL

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

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

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

EPIDEMIOLOGY

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

LOCAL HEALTH ADMINISTRATION AND GRANTS

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

Sec. 902. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1, 2000, the department shall have the authority to assess a penalty from the local health department's administrative accounts in an amount equal to no more than 3% of the local health department's local public health operations funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

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

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

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

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in fiscal year 2000-2001 of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

(4) By April 1, 2001, the department shall report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the planned allocation of the funds appropriated for local public health operations.

(5) It is the intent of the legislature that this appropriation be fully expended in fiscal year 2000-2001.

Sec. 906. From the funds appropriated in part 1 for local health services, the department shall allocate \$50,000.00 for a study to identify the sources of pollution and those responsible for polluting, in the Clinton river watershed.

Sec. 907. (1) It is the intent of the legislature that the department establish a lead hazard remediation revolving loan fund program. From the funds appropriated in part 1, \$1,000,000.00 shall be allocated to the lead hazard remediation revolving loan fund. It is the intent of the legislature that annual appropriations be made to the lead hazard remediation revolving loan fund until cumulative appropriations to the loan fund total a minimum of \$5,000,000.00.

(2) The lead hazard remediation revolving loan fund program shall make loans available to qualified low-income families who live in owner-occupied houses in Michigan for the purpose of financing lead hazard remediation and abatement to the homes in which they reside. Families who meet qualifications for federal housing and urban development lead abatement funds are not eligible for this loan program. A home that houses a child with elevated blood lead levels, as defined in section 5456 of the public health code, 1978 PA 368, MCL 333.5456, or that may in the future be occupied by a family with small children, may be eligible for the loan fund program. The loans shall be offered at an interest rate of 2%. The program may be jointly administered by the department and the Michigan state housing development authority.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

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

(2) The department shall increase funds allocated to promote awareness, education, and early detection of breast, cervical, and prostate cancer by \$750,000.00 above the amount allocated for this purpose in fiscal year 1996-1997, and by \$150,000.00 for colorectal cancer.

Sec. 1002. (1) The amount appropriated in part 1 for school health and education programs shall be allocated in fiscal year 2000-2001 to provide grants to or contract with certain districts and intermediate districts for the provision of a school health education curriculum. Provision of the curriculum, such as the Michigan model or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model for the comprehensive school health education state steering committee. The state steering committee shall be comprised of a representative from each of the following offices and departments:

(a) The department of education.

(b) The department of community health.

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

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

- (e) The family independence agency.
- (f) The department of state police.

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

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

Sec. 1004. From the amounts appropriated in part 1 for the cancer prevention and control program, the department may allocate funds to the Hurley and Harper hospitals' prostate cancer demonstration projects in fiscal year 2000-2001.

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

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

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

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

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

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

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

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

Sec. 1010. Of the funds appropriated in part 1 for the health education, promotion, and research programs, the department shall allocate \$400,000.00 to implement the osteoporosis prevention and treatment education program targeting women and school health education. As part of the program, the department shall design and implement strategies for raising public awareness on the causes and nature of osteoporosis, personal risk factors, value of prevention and early detection, and options for diagnosing and treating osteoporosis.

Sec. 1011. (1) From the funds appropriated in part 1 for the diabetes program, \$320,000.00 shall be allocated for improving the health of African-American men in Michigan. The funds shall be used for screening and patient self-care activities for diabetes, hypertension, stroke, and glaucoma and other eye diseases.

(2) By March 1, 2001, the department shall provide a report on the program under this section to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director.

Sec. 1012. In implementing the early childhood collaborative secondary prevention program, the department shall work cooperatively with the department of education and the family independence agency to address issues and coordinate activities for community-based collaborative prevention services. The department shall report annually on the outcomes of this collaborative effort to the senate and house of representatives appropriation subcommittees on community health and the senate and house fiscal agencies.

Sec. 1013. The funds appropriated in part 1 for the Michigan Parkinson's Foundation shall be used for implementation of the Michigan Parkinson's Initiative which supports and educates persons with Parkinson's disease and their families. Members of the Michigan Parkinson's Initiative include the University of Michigan, Michigan State University, Wayne State University, Beaumont Hospital, St. John's Hospital and Health Center, Henry Ford Health System, and other organizations as appropriate.

Sec. 1018. From the funds appropriated in part 1 for chronic disease prevention, \$500,000.00 shall be allocated for obesity prevention and education services. The department shall use these funds for prevention and education services only, and not for administrative purposes.

Sec. 1019. From the funds appropriated in part 1 for chronic disease prevention, \$50,000.00 shall be allocated for stroke prevention, education, and outreach. The objectives of the program shall include education to assist persons in identifying risk factors, and education to assist persons in the early identification of the occurrence of a stroke in order to minimize stroke damage.

Sec. 1020. From the funds appropriated in part 1 for chronic disease prevention, \$50,000.00 shall be allocated for a children's arthritis program.

Sec. 1021. From the funds appropriated in part 1 for chronic disease prevention, \$1,086,000.00 shall be allocated as 1-time funding for a women's cardiovascular health program. The availability of the funds is contingent upon final settlement and receipt of the funds as the result of a final court judgment.

Sec. 1022. From the funds appropriated in part 1 for the smoking prevention program, \$1,500,000.00 shall be allocated as 1-time funding to enable eligible state and local municipalities to apply for American legacy foundation grants which are intended to decrease and prevent tobacco consumption among all ages and populations.

COMMUNITY LIVING, CHILDREN, AND FAMILIES

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

Sec. 1102. (1) Agencies receiving funds appropriated from part 1 for adolescent health care services shall do all of the following:

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

(i) Funding sources of the adolescent health clinic.

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

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

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

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

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

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

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

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

Sec. 1103. Of the funds appropriated in part 1 for adolescent health care services, each teen center, including alternative models, shall receive as minimum funding no less than 115% of what was allocated in fiscal year 1999-2000. The remainder of the appropriated funds under this section, which shall not apply to alternative models, shall be distributed as follows:

(a) Twenty-five percent shall be distributed based on the number of users.

(b) Fifty percent shall be distributed based on the number of visits.

(c) Twenty-five percent shall be distributed based on the number of services provided.

Sec. 1104. Before April 1, 2001, the department shall submit a report to the house and senate fiscal agencies on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

(a) Funding allocations.

(b) Number of women, children, and/or adolescents expected to be served.

(c) Actual numbers served and amounts expended in the categories described in subdivisions (a) and (b) for the fiscal year 1999-2000.

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

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

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

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

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

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

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

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

Sec. 1108. The funds appropriated in part 1 for pregnancy prevention programs shall not be used to provide abortion counseling, referrals, or services.

Sec. 1109. (1) From the amounts appropriated in part 1 for dental programs, funds shall be allocated to the Michigan dental association for the administration of a volunteer dental program that would provide dental services to the uninsured in an amount that is no less than the amount allocated to that program in fiscal year 1996-1997.

(2) Not later than November 1, 2000, the department shall report to the senate and house of representatives appropriations subcommittees on community health and the senate and house of representatives standing committees on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures through September 30, 2000.

Sec. 1110. Agencies that currently receive pregnancy prevention funds and either receive or are eligible for other family planning funds shall have the option of receiving all of their family planning funds directly from the department of community health and be designated as delegate agencies.

Sec. 1111. The department shall allocate no less than 86% of the funds appropriated in part 1 for family planning local agreements and the pregnancy prevention program for the direct provision of family planning/pregnancy prevention services.

Sec. 1112. From the funds appropriated for prenatal care outreach and service delivery support, the department shall allocate at least \$1,000,000.00 to communities with high infant mortality rates.

Sec. 1113. From the funds appropriated in part 1 for special projects, the department shall allocate no less than \$200,000.00 to provide education and outreach to targeted populations on the dangers of drug use during pregnancy, neonatal addiction, and fetal alcohol syndrome and further develop its infant support services to target families with infants with fetal alcohol syndrome or suffering from drug addiction.

Sec. 1114. From the funds appropriated in part 1 for special projects, the department shall allocate \$250,000.00 to the Nathan Weidner children's advocacy center. These funds shall be considered a work project and any unexpended authorization shall be carried forward to fiscal year 2001-2002.

Sec. 1120. The department shall allocate \$8,488,600.00 to local public health departments for the purpose of providing EPSDT, maternal and infant support services outreach, and other Medicaid outreach and support services.

Sec. 1121. From the funds appropriated in part 1 for special projects, \$300,000.00 shall be allocated for children's respite services.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

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

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

- (a) Provide special formula for eligible clients with specified metabolic and allergic disorders.
- (b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.

(c) Provide genetic diagnostic and counseling services for eligible families.

(d) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

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

OFFICE OF DRUG CONTROL POLICY

Sec. 1250. From the amount appropriated in part 1 to the office of drug control policy, \$200,000.00 shall be transferred to the department of education to fund the office for safe schools.

CRIME VICTIM SERVICES COMMISSION

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

OFFICE OF SERVICES TO THE AGING

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

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

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

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

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

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

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

Sec. 1406. The appropriation of \$5,000,000.00 of tobacco settlement funds to the office of services to the aging for the respite care program shall be allocated in accordance with a long-term care plan developed by the long-term care working group established in section 1637 of 1998 PA 336 upon implementation of the plan. The plan shall be implemented upon meeting the requirements of section 1657 of this act. The use of the funds shall be for direct respite care. Not more than 10% of the amount allocated under this section shall be expended for administration and administrative purposes.

Sec. 1407. The appropriation of \$3,021,400.00 of tobacco settlement funds to the office of services to the aging for the long-term care advisor shall be allocated in accordance with a long-term care plan developed by the long-term care working group established in section 1637 of 1998 PA 336 upon implementation of the plan. The plan shall be implemented upon meeting the requirements of section 1657 of this act.

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

Sec. 1413. The legislature affirms the commitment to locally based services. The legislature supports the role of local county board of commissioners in the approval of area agency on aging plans. The legislature supports choice and the right of local counties to change membership in the area agencies on aging if the change is to an area agency on aging that is contiguous to that county. The legislature supports the office of services to the aging working with others to provide training to commissions to better understand and advocate for aging issues. It is the intent of the legislature to prohibit area agencies on aging from providing direct services, including home and community based waiver services, unless they receive a waiver from the department. The legislature's intent in this section is conditioned on compliance with federal and state laws, rules, and policies.

Sec. 1414. The office of services to the aging shall award contracts and distribute funds only to those projects that are cost effective, meet minimum operational standards, and serve the greatest number of eligible people.

Sec. 1415. The office of services to the aging shall establish uniform reporting formats for reports submitted by area agencies on aging. Area agencies on aging shall submit reports to the department using the established reporting formats.

Sec. 1416. The legislature affirms the commitment to provide in-home services, resources, and assistance for the frail elderly who are not being served by the Medicaid home and community services waiver program.

MEDICAL SERVICES ADMINISTRATION

Sec. 1501. The funds appropriated in part 1 for the Michigan essential health care provider program may also provide loan repayment for dentists that fit the criteria established by part 27 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

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

Sec. 1503. From the amounts appropriated in part 1 for palliative and hospice care, \$325,000.00 shall be allocated for education programs on and promotion of palliative care, hospice, and end of life care, and \$200,000.00 shall be allocated for a pilot project to assess long-term feasibility of paying the cost of room and board in hospice residences for low income individuals.

Sec. 1504. From the funds appropriated in part 1 for primary care services, the department shall appropriate the same level of financing for the Arab American and Chaldean council, and ACCESS that was appropriated in fiscal year 1999-2000.

Sec. 1505. The department shall work with the department of career development to explore options available under the federal "Ticket to Work and Work Incentives Improvement Act of 1999".

Sec. 1506. From the funds appropriated in part 1 for primary care services, an amount not to exceed \$3,200,000.00 is appropriated to enhance the service capacity of the federally qualified health centers and other health centers which are similar to federally qualified health centers.

MEDICAL SERVICES

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

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

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

Sec. 1603. (1) Effective October 1, 2000, the pharmaceutical dispensing fee shall be \$3.77 or the usual or customary cash charge, whichever is less. If a Medicaid recipient is 21 years of age or older, the department shall require a \$1.00 per prescription copayment, except as prohibited by federal or state law or regulation.

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

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

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

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

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

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

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

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

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

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

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

(b) Diagnostic laboratory and x-ray services.

(c) Pharmaceutical services.

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

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

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

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

(2) Persons to be assigned a managed care provider shall be informed in writing of the criteria for exceptions to capitated managed care enrollment, their right to change health plans for any reason within the initial 90 days of enrollment, the toll-free telephone number for problems and complaints, and information regarding grievance and appeals rights.

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

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

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

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

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

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

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

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

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

Sec. 1614. (1) The department shall assure that all Medicaid children have timely access to early and periodic screening, diagnosis, and treatment (EPSDT) services as required by federal law. Medicaid managed care plans will provide EPSDT services in accordance with EPSDT policy. Requirements for objective hearing and vision screening may be met by referral to local health departments.

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

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

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

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

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

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

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

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

Sec. 1618. (1) It is the intent of the legislature that payment increases for enhanced wages and new or enhanced employee benefits shall be provided to those facilities that make application for it to fund the Medicaid program share of wage and employee benefit increases up to the equivalent of 50 cents per employee hour. Employee benefits shall include, but are not limited to, health benefits, retirement benefits, and quality of life benefits such as day care services. Nursing facilities shall be required to document that these wage and benefit increases were actually provided.

(2) The cost of the wage and benefit increases shall be paid from the 5.4% increase appropriated in part 1 for long-term care services.

(3) Funding for the wage and benefit increases authorized in this section shall only be provided to those facilities which offer base pay to competency evaluated nurse aides of not less than \$8.50 per employee hour for postprobationary employment not exceeding 120 days after initial hiring. The wage pass-through shall not be used for previously agreed-to wage or benefit increases as a result of collective bargaining or standard step increases.

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

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

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

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

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

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

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

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

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

(2) For a county with a population of more than 2,000,000 people, the department shall distribute \$44,012,800.00 to hospitals if \$15,026,700.00 is received by the state from such a county, which meets the criteria of an allowable state matching share as determined by applicable federal laws and regulations. If the state receives a lesser sum of an allowable state matching share from such a county, the amount distributed shall be reduced accordingly.

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

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

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

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

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

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

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

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

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

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

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

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

(e) Enrollment of recipients of children's special health care services in qualified health plans shall be voluntary during fiscal year 2000-2001.

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

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

(a) An emphasis on health outcomes.

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

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

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

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

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

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

(h) Ongoing evaluation of the plans' effectiveness.

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

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

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

(4) Medicaid qualified health plans shall assure that all covered services are available and accessible to enrollees with reasonable promptness and in a manner that assures continuity. Medically necessary services shall be available and accessible 24 hours a day and 7 days a week. Health plans shall continue to develop procedures for determining medical necessity which may include a prior authorization process.

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

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

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

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

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

(10) Medicaid qualified health plans shall meet other standards and requirements contained in state laws, administrative rules, and policies promulgated by the department.

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

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

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

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

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

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

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

(a) Contacting eligible Medicaid beneficiaries.

(b) Providing education on managed care.

(c) Providing information through a toll-free number regarding available health plans and their primary care providers available in the Medicaid beneficiaries area.

(d) Entering the beneficiaries health plan choice in the information system for communication to the state and the health plan, written notification to the beneficiary regarding their health plan choice, and notice of their right to change plans consistent with federal guidelines.

(e) Guiding beneficiaries through both health plan and state complaint and fair hearing processes, including helping the beneficiary fill out required forms.

(f) Being available to attend a hearing with a beneficiary if requested by the beneficiary to provide objective information regarding events that have occurred pertinent to the beneficiary.

Sec. 1643. The department may make separate payments directly to qualifying hospitals serving a disproportionate share of indigent patients, and to hospitals providing graduate medical education training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals will not include GME costs or DSH payments in their contracts with HMOs.

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

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

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

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

Sec. 1656. The department shall promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals. Priority shall be given to programs, such as hospice, that focus on individual dignity and quality of care provided persons with terminal illness and programs serving persons with chronic illnesses that reduce the rate of suicide through the advancement of the knowledge and use of improved, appropriate pain management for these persons; and initiatives that train health care practitioners and faculty in managing pain, providing palliative care, and suicide prevention.

Sec. 1657. The long-term care working group established in section 1637 of 1998 PA 336 shall continue to exist until the long-term care working group has completed its work on a written long-term care plan. The department shall not implement a long-term care plan until the expiration of 24 days during which at least 1 house of the legislature convenes after the long-term care working group has submitted the written long-term care plan to the senate majority leader, the speaker of the house, the senate and house appropriations subcommittees on community health, and the state budget director.

Sec. 1658. Of the funds appropriated in part 1 for graduate medical education in the hospital services and therapy line item appropriation, \$3,635,100.00 shall be allocated for the psychiatric residency training program that establishes and maintains collaborative relations with the schools of medicine at Michigan State University and Wayne State University.

Sec. 1659. From the amounts appropriated in part 1 for hospital services, the department shall allocate for graduate medical education no less than was allocated for graduate medical education in fiscal year 1999-2000.

Sec. 1660. The following sections are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, children's special health care services plan, MI Choice long-term care plan, and the mental health, substance abuse, and developmentally disabled services program: 217, 402, 404, 413, 414, 1611, 1614, 1617, 1624, 1635, 1637, 1640, 1641, 1642, 1643, 1662, 1663, 1690, 1691, 1692, 1705, and 1706.

Sec. 1662. (1) The department shall include provision in the contracts with health plans for full responsibility for well child visits and maternal and infant support services as described in Medicaid policy. This responsibility will also be included in the information distributed by the health plans to the members.

(2) The department shall develop and implement a budget neutral enrollment based incentive program to encourage qualified health plans to improve infant and children's health outcomes by improving access to maternal and infant support services (MSS/ISS) and to well child examinations. Qualified health plans with the most improved performance will be eligible for automatic beneficiary enrollment and those plans who fail to improve will be ineligible for new enrollment. Qualified health plans will refund to the department any unexpended MSS/ISS capitation below the fee for service equivalent MSS/ISS capitation in fiscal year 1996-97.

(3) Maternal and infant support services shall continue to be provided through state certified providers.

Sec. 1663. The department shall continue a work group on EPSDT and maternal and infant support services. The work group shall be made up of consumers, advocates, health care providers, and health plan representatives. The work group shall, at a minimum, establish an outreach program to educate providers on the requirements of EPSDT screening, and advise the department on providing targeted assistance to health plans that are screening less than 60% of the child members that are eligible for EPSDT services and recommend strategies to improve access to maternal and infant support services.

Sec. 1670. (1) The appropriation in part 1 for the MICHild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 200% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making application for MICHild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this act. Health care coverage for children in families below 150% of the federal poverty level shall be provided through expanded eligibility under the state's Medicaid program. Health coverage for children in families between 150% and 200% of the federal poverty level shall be provided through a state-based private health care program.

(2) The department shall enter into a contract to obtain MICHild services from any health maintenance organization, dental care corporation, or any other entity that offers to provide the managed health care benefits for MICHild services at the MICHild capitated rate. As used in this subsection:

(a) "Dental care corporation", "health care corporation", "insurer", and "prudent purchaser agreement" mean those terms as defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL 550.52.

(b) "Entity" means a health care corporation or insurer operating in accordance with a prudent purchaser agreement.

(3) The department may enter into contracts to obtain certain MICHild services from community mental health service programs.

(4) The department may make payments on behalf of children enrolled in the MICHild program from the line-item appropriation associated with the program as described in the MICHild state plan approved by the United States department of health and human services, or from other medical services line-item appropriations providing for specific health care services.

Sec. 1673. From the funds appropriated in part 1, the department shall continue a comprehensive approach to the marketing and outreach of the MICHild program. The marketing and outreach required under this section shall be coordinated with current outreach, information dissemination, and marketing efforts and activities conducted by the department.

Sec. 1674. The department may provide up to 1 year of continuous eligibility to a family made eligible for the MICHild program unless the family's status changes and its members no longer meet the eligibility criteria as specified in the federally approved MICHild state plan.

Sec. 1676. The department may establish premiums for MICHild eligible persons in families with income above 150% of the federal poverty level. The monthly premiums shall not exceed \$5.00 for a family.

Sec. 1677. The department shall not require copayments under the MICHild program.

Sec. 1678. Families whose category of eligibility changes between the Medicaid and MICHild programs shall be assured of keeping their current health care providers through the current prescribed course of treatment for up to 1 year, subject to periodic reviews by the department if the beneficiary has a serious medical condition and is undergoing active treatment for that condition.

Sec. 1681. To be eligible for the MICHild program, a child must be residing in a family with an adjusted gross income of less than or equal to 200% of the federal poverty level. The department's verification policy shall be used to determine eligibility.

Sec. 1682. The MICHild program shall provide all benefits available under the state employee insurance plan that are delivered through the qualified health plans and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance abuse treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance abuse services, including services furnished in a state-operated mental hospital and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MICHild state plan.

(e) Substance abuse treatment services that may include inpatient, outpatient, and residential substance abuse treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Sec. 1686. The department shall make available to health care providers a pamphlet identifying patient rights and responsibilities described in section 20201 of the public health code, 1978 PA 368, MCL 333.20201.

Sec. 1687. All nursing home rates, class I and class III, must have their respective fiscal year rate set 30 days prior to the beginning of their rate year. Rates may take into account the most recent cost report prepared and certified by the preparer, provider corporate owner or representative as being true and accurate, and filed timely, within 5 months of the fiscal year end in accordance with Medicaid policy. If the audited version of the last report is available, it shall be used. Any rate factors based on the filed cost report may be retroactively adjusted upon completion of the audit of that cost report.

Sec. 1690. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's qualified health plan. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's qualified health plan within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital must receive authorization from the recipient's qualified health plan prior to admitting the recipient.

(3) Subsections (1) and (2) shall not be construed as a requirement to alter an existing agreement between a qualified health plan and their contracting hospitals nor as a requirement that a qualified health plan must reimburse for services that are not considered to be medically necessary.

(4) Effective October 1, 2000, the department shall implement a 2-tier case rate, not to exceed the corresponding Medicare rates, for all emergency physician professional charges as recommended by the emergency services workgroup authorized in section 1690 of 1999 PA 114. The case rate shall be determined based upon the final disposition of the patient. Those patients who are treated and sent back to their residence shall form 1 group (treat and release). The second group shall be comprised of those patients who are treated and either transferred to another health facility or kept in the hospital as admitted or observed patients (treat and admit/transfer).

Sec. 1691. (1) It is the intent of the legislature that a uniform Medicaid billing form be developed by the department in consultation with affected Medicaid providers. Every 2 months, the department shall provide reports to members of the senate and house of representatives appropriations subcommittees on community health and the senate and house fiscal agencies on the progress of this initiative.

(2) Until such time as a uniform billing form is developed and implemented, or unless otherwise provided in state law, the following shall apply to Medicaid qualified health plans:

(a) If a billing form is received by a qualified health plan with a noncorrectable error, the qualified health plan shall return the form within 10 business days to the billing provider with plain language instructions as to what items need to be corrected.

(b) If a qualified health plan fails to provide reimbursement for at least 90% of its clean claims within 30 days of receipt, the qualified health plans shall be subject to an interest charge based on the value of the unpaid claims. Interest shall be paid at the rate specified in section 3902(a) of title 31 of the United States Code, 31 U.S.C. 3902. As used in this subdivision, "clean claim" means a claim that has no defect or impropriety, including lack of required substantiating documentation for noncontracting providers and suppliers, or particular circumstances requiring special treatment that prevents timely payment from being made on the claim.

(c) If a qualified health plan has followed the procedure specified in subdivision (a), the required time for reimbursement does not begin until a corrected billing form has been received.

(d) A Medicaid provider that submits a duplicate of a claim that has been denied or returned with notice that it is incomplete or incorrect shall be subject to a service charge for each duplicate claim, in an amount determined by the department, if the duplicate claim is submitted without completion, correction, or further information that addresses the denial or return.

(3) The department shall hold regular Medicaid billing seminars targeted to both qualified health plans and Medicaid providers. The number and locations of these seminars should be sufficient to provide reasonable access to qualified health plans and Medicaid providers throughout the state. The department shall provide quarterly reports to the members of the senate and house of representatives appropriations subcommittees on community health and the senate and house fiscal agencies on the number of seminars, their content and location, and the number of persons attending these seminars.

Sec. 1692. (1) The department shall do or demonstrate that it has accomplished all of the following concerning the provision of early and periodic screening, diagnosis, and treatment (EPSDT) and maternal and infant support services (MSS/ISS):

(a) Explore the feasibility of developing a uniform encounter form for EPSDT services, MSS/ISS referral, and MSS/ISS screening and services.

(b) Require each qualified health plan to evaluate 100% of pregnant Medicaid enrollees for possible MSS/ISS screening referral during the initial pregnancy services visit, using uniform screening and referral criteria.

(c) Require each qualified health plan to notify the department and the appropriate local health department of all MSS/ISS screening referrals, and require all MSS/ISS screening and service providers to notify the department and the appropriate local health department of Medicaid clients who fail to keep MSS/ISS appointments.

(d) Prohibit qualified health plans from requiring prior authorization for their contracted providers for any EPSDT screening and diagnostic service, for MSS/ISS screening referral, or for up to 3 MSS/ISS service visits.

(e) Coordinate the provision of MSS/ISS services with the women, infants, and children supplemental nutrition (WIC) program, state supported substance abuse, smoking prevention, and violence prevention programs, the family independence agency, and any other state or local program with a focus on preventing adverse birth outcomes and child abuse and neglect.

(2) The department shall require the external quality review contractor to conduct a statistically significant sampling of the health records of Medicaid eligible clients of all qualified health plans for all of the following information:

(a) The number of Medicaid enrollees under age 19.

(b) The number of Medicaid enrollees receiving at least 1 EPSDT service.

(c) The number and type of EPSDT services rendered.

(d) The immunization status of each EPSDT eligible enrollee who is seen by a plan provider.

(e) The number of enrollees receiving blood lead screening.

(f) The number of referrals to local health departments for blood lead screening, immunization, or objective hearing and vision screening services.

(g) The number of pregnant Medicaid enrollees.

(h) The number of referrals for MSS/ISS assessment.

(i) The number of MSS/ISS assessments performed.

(j) The number and description of MSS/ISS visits or services delivered.

(k) The number of prenatal visits per pregnant enrollee.

(l) Fetal or infant death, birth weight, and infant morbidity data for Medicaid enrollees.

(3) The department shall compile and report the information required in subsection (2) and a report on the distribution of MSS/ISS providers across the state to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director no later than February 1, 2001.

Sec. 1693. The department shall work with the Michigan association of health plans and the Michigan association for local public health to improve service delivery and coordination in the MSS/ISS and EPSDT programs and report on those activities in conjunction with the report required in section 1692(3).

Sec. 1694. (1) By October 1, 2000, the department shall implement procedures for claims processing that use or accept a standard scannable form for dental claims.

(2) By October 1, 2000, the department shall implement procedures for claims processing that allow participating dental providers to submit claims for reimbursement for covered dental services using the American dental association's "code on dental procedures and nomenclature" as contained in the latest edition of the American dental association's publication "current dental terminology".

(3) By October 1, 2001, the department shall implement procedures for claims processing that allow participating dental providers to submit claims electronically.

Sec. 1695. (1) Effective January 1, 2001, it is the intent of the legislature that an elder prescription insurance coverage program will be established, referred to in this section as the EPIC program. The guiding principles of this program are all of the following:

(a) To enhance access to prescription medications for low income elderly residents of this state.

(b) To make that access meaningful by reducing the cost to senior citizens to obtain prescription medications.

(c) To assist the elderly in understanding how prescription medications can be beneficial in treating diseases, illnesses, and conditions that are more prevalent in the aged.

(d) To provide the means by which those persons who prescribe and dispense prescription medications for the elderly are better able to recognize those prescription situations in which combinations of new and/or existing drugs, or other factors, could result in an adverse drug interaction in an elderly person.

(e) The program developed pursuant to this section is not an entitlement and benefits are limited to the level supported by the funding explicitly appropriated in this or subsequent acts.

(f) Emergency prescription assistance shall continue to be available through the program.

(2) In furthering these guiding principles, the operational parameters of the EPIC program shall include at least all of the following:

(a) Limiting eligibility to Michigan residents who are over the age of 64, who have household incomes at or below 200% of poverty, and who are not eligible for Medicaid.

(b) Establishing variable premium rates based on a percentage of household income, which rate shall be not more than 5% of household income if household income is 200% of poverty and shall be zero if household income is 100% or less of poverty.

(c) A mechanism, such as limiting the number of policies sold, to ensure that expenditures do not exceed available revenue.

(3) The EPIC program shall not be implemented until after an automated pharmacy claims adjudication and prospective drug utilization review system is operational.

(4) The EPIC program shall not be implemented until section 273 of the income tax act of 1967, 1967 PA 281, MCL 206.273, is repealed.

(5) The Michigan emergency pharmaceutical program for seniors shall be continued until the EPIC program is fully implemented.

Sec. 1696. From the funds appropriated in part 1 for auxiliary medical services, dental fees, including fees for adult dental services, shall be increased 5% and the healthy kids dental project shall be expanded.

Sec. 1697. (1) The department shall continue the rural health initiative started in fiscal year 1999-2000 with emphasis on rural emergency medical services system, medical equipment, and technology. From the funds appropriated in part 1 for the rural health initiative, \$4,000,000.00 shall be allocated as matching grants for the purpose of defraying the costs associated with training and retaining rural emergency medical service technicians, \$1,000,000.00 for the purchase of defibrillators, and the remainder for other medical equipment and technology.

(2) The department shall maximize the use of federal matching funds for these projects whenever possible.

Sec. 1698. (1) An applicant for Medicaid, whose qualifying condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise.

(2) An applicant qualified as described in subsection (1) shall be given a letter of authorization to receive Medicaid covered services related to her pregnancy. In addition, the applicant shall receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

(3) An applicant that selects a Medicaid provider, other than a managed care plan, from which to receive pregnancy services, shall not be required to enroll in a managed care plan until the end of the second month postpartum.

(4) In the event that an applicant, presumed to be eligible pursuant to subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to an applicant under this section is entitled to reimbursement for those services until such time as they are notified by the department that the applicant was found to be ineligible for Medicaid.

(5) If the preponderance of evidence in an application indicates that the applicant is not eligible for Medicaid, the department shall refer that applicant to the nearest public health clinic or similar entity as a potential source for receiving pregnancy related services.

Sec. 1700. The personal care services rate shall be increased by 4%.

Sec. 1701. The department shall distribute the 7% economic increase for outpatient services in the hospital services and therapy line as an adjustor payment to hospitals based on the percentage of total outpatient hospital billings for Medicaid fee-for-service and managed care services by each hospital. The department shall target the funds to hospitals under contract with qualified health plans subject to the provisions of section 1706. In addition, effective October 1, 2000, the department shall convert the fiscal year 1999-2000 outpatient adjustor payment to a hospital outpatient service fee increase as part of an update of the resource-based relative value fee methodology pursuant to section 1703.

Sec. 1702. (1) Effective October 1, 2000, the department shall convert \$2,760,000.00 of the fiscal year 1999-2000 4% increase for physician services that was distributed as a physician disproportionate payment during fiscal year 1999-2000 and the \$12,420,000.00 appropriated in part 1 for a 9% economic increase for physician services to an 11% surcharge that shall be applied to all physician payments.

(2) No later than April 1, 2001, the department shall utilize the funds specified in subsection (1) and the remaining funds appropriated in part 1 for an increase in physician services rates to update the resource based relative value fee methodology as delineated in section 1703. It is the intent of the legislature that the remaining portion of the fiscal year 1999-2000 physician services increase be used as a fee adjustor for primary care services targeted to physicians under contract with a qualified health plan.

(3) These increases shall also apply to the maternal and infant support services procedure code revision specified in the medical services administration bulletin 00-02 issued July 1, 2000, with an effective date of September 1, 2000.

Sec. 1703. (1) It is the intent of the legislature that on, or before, April 1, 2001 the Medicaid payment fee schedule used to reimburse physicians and hospitals for outpatient services shall be rebased. This process shall use the latest available Medicare relative value weights used in the Medicare physician reimbursement methodology and the funds available for this rebasing shall include those funds that were being paid as an 11% surcharge to each physician services. The funds available for the rebasing of hospital outpatient fee screens shall include the fee screen increase that was granted hospitals for outpatient services on October 1, 2000.

(2) To further this end, the department shall establish a workgroup consisting of, at a minimum, department staff, and 1 representative each from Michigan state medical society, Michigan association of osteopathic physicians, and Michigan health and hospital association, and 1 designee each of the respective chairs of the senate and house of representatives appropriations subcommittees on community health.

(3) The purpose of this workgroup is to ensure that the model used establishes that payment rates are reflective of the proper weights being assigned to each procedure code, that procedure codes without Medicare equivalents are assigned reasonable proxies, and that any anomalous results are analyzed and adjusted to reflect the intent of this section. In addition, this workgroup shall ensure that no element of the rebased fee schedule exceeds the Medicare payment rate for that procedure, except as may be allowed by federal law or regulation.

(4) This workgroup shall provide a bimonthly report to the chairs of the senate and house of representatives appropriations subcommittees on community health and senate and house fiscal agencies, as to the activities of the workgroup and the expected date for the completion of this rebasing.

Sec. 1704. By September 30, 2001, the department shall report on the results of the long-term care innovations grants allocated as 1-time funding in fiscal year 1999-2000.

Sec. 1705. The department may contract with multiple vendors to provide automated Medicaid eligibility verification services to providers. For providers with contracts with qualified health plans who elect to utilize the services of 1 of these vendors, the department shall pay all of the transaction fee associated with this eligibility verification service. The department shall maintain a toll-free voice eligibility verification service at no cost to providers. The provisions in this section shall apply to providers treating Medicaid patients under the fee for service system as long as they have a contract with a qualified health plan to provide services to qualified health plan enrollees.

Sec. 1706. Qualified health plans are required to have contracts with hospitals within a reasonable distance from their enrollees. The department may waive this requirement if it certifies that after good faith negotiations, no reasonable agreement could be reached among the parties. In the absence of a contract with qualified health plans, the qualified health plan must reimburse the hospital for medically necessary, appropriately authorized services arranged by a physician with admitting privileges at the hospital at Medicaid fee-for-service rates.

Sec. 1707. It is the intent of the legislature that the department shall update the payment methodology for Medicaid reimbursement of physician services and move toward the resource-based relative value system used by the health care financing administration.

Sec. 1708. The department, in conjunction with community mental health services programs, shall establish a Medicaid psychotropic drug utilization advisory committee which shall consist of 1 representative from the mental health and substance abuse services administration, 1 representative from the medical services administration, 1 representative from the Michigan association of community mental health boards, 1 representative from the Michigan pharmacists association, 1 representative from the Michigan state medical society, 1 representative from the Michigan association of osteopathic physicians, 1 representative from the Michigan psychiatric society, 2 representatives from the pharmaceutical industry that have either research or manufacturing facilities located within the state, and 2 representatives appointed by the Michigan partners for patient advocacy to represent the concerns of consumer, family, advocacy, and children's groups. The committee shall maintain a liaison with the Medicaid drug utilization review board and shall report to the senate and house of representatives appropriations subcommittees on community health and the senate and house fiscal agencies not later than September 30, 2001.

Sec. 1709. A school district eligible for school based health service funds may use a portion of those funds for school based health clinics that serve children in kindergarten through seventh grade.

Sec. 1710. It is the sense of the legislature that disproportionate share hospital payments and other similar adjustor payments should be equitably distributed on a statewide basis. As such, no later than May 1, 2001, the department shall provide a report to the chairs of the senate and house of representatives appropriations subcommittees on community health and the senate and house fiscal agencies on the methodology used to distribute disproportionate share hospital payments and other similar adjustor payments. This report shall include the existing distribution of these funds by geographic location.

Enacting section 1. Part 1b, section 130 of 1999 PA 114, and part 2b, sections 2201 to 2203 of 1999 PA 114, are repealed.

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

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; to provide for disposition of fees and other income received by the various state agencies; and to repeal acts and parts of acts.

Joel Gougeon
John J.H. Schwarz
Conferees for the Senate

Terry Geiger
Judith Scranton
Conferees for the House

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

The motion prevailed.

The question being on the adoption of the conference report,

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

Roll Call No. 601

Yeas—21

Bennett	Gougeon	McManus	Shugars
DeGrow	Hammerstrom	North	Sikkema
Dunaskiss	Hoffman	Rogers	Steil
Emmons	Johnson	Schuetz	Stille
Gast	McCotter	Schwarz	Van Regenmorter
Goschka			

Nays—15

Byrum	Emerson	Miller	Smith, V.
Cherry	Hart	Murphy	Vaughn
DeBeaussaert	Jaye	Peters	Young
Dingell	Koivisto	Smith, A.	

Excused—2

Bullard	Leland
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Not Voting—0

In The Chair: Hoffman

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

Protest

Senator Cherry, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 964 and moved that the statements he made during the discussion of the conference report be printed as his reasons for voting “no.”

The motion prevailed.

Senator Cherry’s first statement is as follows:

I want to build on the remarks of the previous speaker, the Senator from the 29th District, and take us back to the beginning of this year when a number of us raised very appropriate concerns about the crisis facing Michigan health care, in particular, the crisis facing Michigan hospitals. What was occurring then is still occurring today. Perhaps it abated slightly in hopes that the Legislature in this budget would begin to make a serious impact on that problem. But to the degree that it abated, I suspect we’ll intensify it now if, in fact, this conference report becomes the budget for the Department of Community Health.

Going back to the beginning of this year, remember, we had hospitals closing and laying off workers and turning away patients because we were about \$400 million shy of our Medicaid reimbursements. That was significantly harming the health care system in this state. I am proud, and I know it was because of the hard work of the subcommittee chairman that the Senate produced a version that dealt with that crisis.

The Senator from the 29th just outlined the work of the Senate and how we accomplished that. But as this bill has progressed to the House and gone to conference, what we find today that instead of dealing with this \$400 million problem, we’ve only come up with \$190 million. This means that the crisis will continue. Hospitals will continue to close. Workers will continue to be laid off. Patients will continue to be turned away. And all of this will happen in the best of economic times.

In the best of economic times, we are not meeting the investment needs of Michigan in the health care area. Can you imagine what is going to happen as the economy slows down, as the economy begins to turn down? It will happen some day. If we can’t deal with our problems in the best of economic times, can you imagine what the crisis will be in the future? I think if we’re going to assure Michigan citizens that their health care services are going to be adequate, and they’ll have hospitals where the care will be good and dependable and responsible, we can’t accept this conference report. If this is the best we can do in the best of times, shame on us.

I think it’s important for us to stand up and say, “The Senate did it right.” In fact, the Senate’s position needs to stand, and we need to solve this crisis. When we have good economic times, we need to make the investments that are important to our citizens. I would urge that we would reject this conference report, that we make it clearer that the Senate’s position was right a few months ago, and it’s right today. We ought to insist on it. I would urge rejection of the conference report.

Senator Cherry’s second statement is as follows:

Let me say, I know that the good Senator from the 34th District, the chairman of the subcommittee, worked very hard on this bill. In fact, I believe that when it left this chamber, as I said previously, under his direction we got it right; we did the right thing. And I know as the thing progressed through the House and into conference committee, he argued for his position—that the Senate did do it right. So I don’t fault him for this conference report.

But I think it’s important for us to remember what targets are. You know, if you break a target, you don’t go to jail. What a target is is an expression collectively about priorities, about our priorities as a Legislature, and about our priorities as state government. And as those targets were set collectively, the decision was made to lower the priority of health care. In fact, it wasn’t a priority for us to prevent hospitals from closing. It wasn’t priority for us to prevent the lay-off of health care workers. It wasn’t the priority of ours to prevent patients from being turned away.

Now if we feel comfortable with saying those are our priorities, then yes, you ought to vote for this conference committee report. But if you believe that health care for Michigan citizens is a priority; if you believe hospitals ought to continue to remain open and operating; if you believe that health care workers are not in excess of supply but in shortage of supply and ought not be laid off; if you believe patients ought to be served when they go to the hospital, then you’ll reject these priorities. You’ll say health care is a major priority for the state of Michigan, and these targets did not reflect what the Senate believes. And what reflects the Senate’s position is the bill we passed several months ago, and that is what we believe is the priority for health care for Michigan citizens. That’s what the debate about targets is all about. If, in fact, we don’t stand up for the Senate’s position, then priorities we believe ought to be in the forefront will be ignored next year and the year after and the year after. If you want something, you’ve got to stand up for it. I would urge this body to stand up for its priorities on health care; that we stand up for what we did a couple months ago and solve this health care crisis and we reject this conference report.

Senators Gougeon and Rogers asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Gougeon’s statement is as follows:

I’m delighted to say that indeed the conferees have met on the points of difference on the DCH budget and have agreed to a conference bill that we now bring before you. I want to take just a couple of moments to express my

appreciation to the conferees who came together in trying circumstances, and we've had to meet several times in order to iron out our differences which led to our meeting today.

I believe we have a good budget, a budget which reflects our commitment—this Legislature's commitment, this Governor's commitment—to manage care here in the state of Michigan and all that it offers in terms of the potential for proactive care for Michigan's most needy citizens.

I want to express my appreciation, first of all, to the Senate Majority Leader who months ago, last fall in fact, invited our committee to hold hearings. The result of those hearings was a six-point plan to put in action to deal with the issues of Medicaid underfunding here in the state of Michigan. We proposed that plan to the Governor, and I'm appreciative that this administration accepted our proposal to rebid Medicaid. The result was one of the largest increases ever in terms of an 11.7 percent increase for the qualified health plans of the state of Michigan. In addition to that commitment was timely payments. I'm proud to say that the Governor signed Senate Bill No. 938 yesterday, which goes hand-in-hand with this budget.

This budget also includes a significant increase over last year, both on the out-patient side for hospitals and for physician fee screen increases. The commitment of this budget and of this Legislature and of the administration is to re-base fee screens for next year to make them more fair. We understand, and I want to express my appreciation at this time to senior analyst, John Walker, and analyst, Steve Angelotti, of the Senate Fiscal Agency, who came forth with five reports that I commissioned throughout this budget process to determine, in fact, whether we're on course in looking at our Medicaid rates.

Some of these rates, quite frankly, hurt. Some of them suggested that we are, in fact, very low. If we had solved the entire problem with this year alone, we would have had to have taken money from every single budget around. So we did what we could do and what was practical to be able to move in the direction that these reports indicated.

Will these reports gather dust on a shelf? No. They will become instruments that this Senator will use, and I hope Senators who follow me use and be updated as we go along because, in fact, this budget is a budget of more than seemingly a thousand voices wanting money from all directions. We can't possibly know that we should give money to the person who yells the loudest or who has the best lobbyist, so we did the next best thing. We studied and we used the methods that we could in these reports to put out a DCH budget that we think is well-balanced and includes a long-term care wage pass-through that I've had to change my position on because of these reports. It's a 50 cents wage pass-through, but it includes a minimum of \$8.50 payment to each individual with a minimum payment for those who do take the money.

It includes a commitment to wellness in the state of Michigan. To Senator Shugars in his effort to enhance the program that we have here in the state of Michigan, it includes a commitment to teen centers, led by Senator Alma Wheeler Smith, and includes many other commitments.

In the last few seconds, I want to thank my chief of staff, Brett Henderson, who stepped in at the last second on this budget and really did yeoman's work. And to all the staffers who made this report a reality, I appreciate it. I would urge a "yes" vote on this conference report.

Senator Rogers' statement is as follows:

This is a list of folks we didn't get to yesterday but people who certainly deserve our thanks for making this whole session thing work. We have some great folks who keep us safe in here: the Security Unit, which is headed up by Kit Askin, Mike Ferland, Kim Nixon, who is the secretary there, Wade Hanna, Dan Jones, Lisa Stafford, Charles Thornhill, Joe Rodriguez, page requests handled by Brianna Ziola and Tyler Kitchel, and security officers Steve Hawkins and Bob Siegrist.

From the General Services Unit, which is also again dual mention here because he does wear two hats, Mike Ferland, master of all—I see him up there grinning—Bryan Crips, Eve Hady, Vern Harris, Jeffrey Marshall, Margarita Montgomery—I was waiting for her to cut my microphone off if I mispronounced her name—Steve Sellers, and Doug Wilson.

From the Senate Information Services Unit, we have Mike Desrochers, Angela James, Alan Wright, Mark Dietrich, Eileen Gioia, Frank Martinez, Tom Soule, and Kerry Stone; from our help desk, Kathy Barnette, Dave Kunkel, Denise Lasky, Jennifer Martino, and Cathy Stewart; from system development analysts, Laurie Burke, John Goacher, Mike Lareau, Bryan Renaud, Aneesh Varghese, and Jeanette Warren; and all of the fiscal analysts headed by Gary Olson.

To all of these people who make the ship run we, as members and staff, thank you very much for being part of something which is special, a democracy at work. Mr. President, I'd ask if the Senate and staff could give all of these people our heartfelt thanks for making this session what it is. It's a great place to be, work, and there you have it.

By unanimous consent the Senate proceeded to the order of
Statements

Senator Gougeon asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Gougeon's statement is as follows:

I wanted to make a few additional comments about our DCH budget. One particular part that we simply didn't have time to bring up, and that is, last year this DCH budget contained a commitment for a long-term care study group. I

am proud to say that our study group has, in fact, completed that assignment, incorporated some 29 or 30 different meetings, and traveled around this state. My appreciation goes to the members of that committee, including Senator Alma Wheeler Smith and four members of the Department of Community Health, chaired by the director. I think we've come out with a fair report, and this summer we'll be implementing some of the pilot programs called for in that report. I would be remiss if I didn't thank for the record our consultant, Larry Grinwis, and others who testified and brought so much information to our long-term care committee.

I want this body to know that it is not a report that will simply sit on a shelf. Our committee has decided to stay intact with the blessings of the Senate Majority Leader and the Speaker of the House, and we will continue to provide oversight. We will take a critical look, if you will, at the pilot programs that we have put forth to determine if they, in fact, are working. Can we make them better? It is a commitment to the seniors and a growing number of Michiganders in this state who will need who are our most needy citizens—our help and self-determination on how they will live. In fact, that concept has woven its way into the direction that we are going. I appreciate all within this body who have given their commitment to long-term care. It will be a growing problem here in the state of Michigan.

As an example: If you live on Beaver Island and you wanted to stay there for the rest of your life, you'd have to leave Beaver Island unless you had children who could take care of you. There is no long-term care facility on Beaver Island. So those who go there seeking "paradise" know that as they reach their senior years, they're going to have to leave. There is no medical doctor on Beaver Island, and thousands upon thousands who travel to Beaver Island are perhaps unaware that we don't have a medical doctor up there. We do have a practical nurse who is quite capable of stabilizing people and the Welke Airlines to get them to Petoskey as quickly as possible should we have an emergency. But we can do better, and our commitment there is to combine and improve medical care with long-term care. That's just an example of where we can go in our long-term care study committee. It is a beginning, and I applaud the group for the excellent work that we have done, but it is only a beginning. We have much more work to do.

By unanimous consent the Senate returned to the order of

Introduction and Referral of Bills

Senator McCotter introduced

Senate Bill No. 1319, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 2119 and 2120 (MCL 500.2119 and 500.2120), section 2119 as amended by 1980 PA 461 and section 2120 as amended by 1984 PA 350.

The bill was read a first and second time by title and referred to the Committee on Financial Services.

Senators Peters and Emmons introduced

Senate Bill No. 1320, entitled

A bill to amend 1973 PA 186, entitled "Tax tribunal act," by amending section 35 (MCL 205.735), as amended by 1994 PA 254.

The bill was read a first and second time by title and referred to the Committee on Finance.

House Bill No. 4621, entitled

A bill to amend 1974 PA 154, entitled "Michigan occupational safety and health act," (MCL 408.1001 to 408.1094) by adding section 24a.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

House Bill No. 4780, entitled

A bill to amend 1974 PA 154, entitled "Michigan occupational safety and health act," (MCL 408.1001 to 408.1094) by adding section 24b; and to repeal acts and parts of acts.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

House Bill No. 5537, entitled

A bill to authorize and provide the terms and conditions under which information and signatures can be transmitted, received, and stored by electronic means.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Financial Services.

Senator McCotter moved that, pursuant to rule 1.114, upon receipt of Senate bills returned from the House of Representatives, the Secretary of the Senate be directed to proceed with the enrollment printing and presentation of the bills to the Governor.

The motion prevailed.

Scheduled Meetings

Families, Mental Health and Human Services - Monday, June 26, 9:00 a.m., Cadillac & Nicolet Rooms, University Center, Northern Michigan University, Marquette; Tuesday, June 27, 9:00 a.m., Commission Chambers, 2nd Floor, Governmental Center (City/County Building), Traverse City; Wednesday, June 28, 1:00 p.m., F and G Seminar Rooms, Curtis Hall, Saginaw Valley State University, Saginaw/Bay City; Thursday, July 6, 9:00 a.m. and 1:00 p.m., Northwest Activity Center, 18100 Myers Road, Detroit; and Friday, July 7, 9:00 a.m., Theater, Oakland Community College - Royal Oak Campus, Royal Oak (373-3543)

Senator McCotter moved that the Senate adjourn.

The motion prevailed, the time being 11:01 a.m.

Pursuant to Senate Concurrent Resolution No. 41, the Assistant President pro tempore, Senator Hoffman, declared the Senate adjourned until Tuesday, September 19, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate.