No. 55

STATE OF MICHIGAN

Journal of the Senate

91st Legislature

REGULAR SESSION OF 2002

Senate Chamber, Lansing, Tuesday, June 18, 2002.

12:00 noon.

The Senate was called to order by the President pro tempore, Senator John J.H. Schwarz.

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

Bennett—present
Bullard—present
Byrum—present
Cherry—present
DeBeaussaert—present
DeGrow—present
Dingell—present
Dunaskiss—present
Emerson—present
Emmons—present
Garcia—present
Gast—present
Goschka—present
Gougeon—present
Hammerstrom—present
Hart—present
Hoffman—present
Johnson—present
Koivisto—present
Leland—present
McCotter—present
McManus—present
Miller—present
Murphy—present
North—present
Peters—present
Sanborn—present
Schuette—present
Schwarz—present
Scott—present
Shugars—present
Sikkema—present
Smith—present
Steil—present
Stille—present
Van Regenmorter—present
Vaughn—excused
Young—present

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

Lord, we come to You with a supplicant heart. We ask You to bless these proceedings today. We acknowledge before Your presence that these are not the best of times. The economy isn't what we would like. In addition to that, our own agendas get in the way of doing things for the better good of the entire state. We ask for a special measure of wisdom, courage, and sense of cooperation between and amongst us as individuals, as different caucuses, as different houses of the Legislature.

In spite of that, we thank You for the opportunity that You have given all of us to serve our fellow citizens. In that sense, we are richly blessed. This and more we ask in Your name. Amen.

Senators Miller, Hart and Smith entered the Senate Chamber.

Motions and Communications

Senator Emmons moved that Senators Bullard and Garcia be temporarily excused from today's session.
The motion prevailed.

Senator Emerson moved that Senator Vaughn be excused from today's session.
The motion prevailed.

Senator Emmons 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.

Senators Garcia and Bullard entered the Senate Chamber.

The following communications were received and read:
Office of the Senate Majority Leader

June 7, 2002

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the following conference committees:

House Bill 5643	Senator Johnson Senator Stille Senator Dingell
House Bill 5644	Senator Bennett Senator Stille Senator Young
House Bill 5647	Senator Bennett Senator Stille Senator Young

June 10, 2002

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the following conference committees:

House Bill 5646	Senator Schwarz Senator Johnson Senator Young
House Bill 5648	Senator North Senator Goschka Senator Dingell

Sincerely,
Dan L. DeGrow
Senate Majority Leader

The communications were referred to the Secretary for record.

Senator DeGrow asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.
The motion prevailed.

Senator DeGrow's statement is as follows:

We have one of our employees today who is leaving after over 24 years of service to the Michigan Senate. That means that only Harry's been here longer, on our side, and that's a long time. I would like to read this tribute:

"Let it be known, That it is with gratitude for her outstanding efforts over the years that we honor and thank Chris Ingalls upon the occasion of her retirement from the Senate Majority Policy Office. Her professionalism on behalf of the Michigan Senate has contributed a great deal to the institution and to the people of this state. On behalf of the lawmakers, staff, and all who have worked with her, we extend our best wishes to this talented and reliable member of the Senate Majority Policy staff.

The public service career of Chris Ingalls has been filled with many challenges—and Chris has risen to meet them all. She has handled numerous tasks with the same exemplary efficiency we have come to expect through her duties as the Office Manager. Prior to bringing her skills to the complex work demanded by the Senate, Chris sharpened her skills with Michigan State University, Oldsmobile, and Bouck & Martzke, D.D.S. This background has served her well in dealing with the unique pressures presented by the legislative process.

Through nearly two and a half decades, Chris has contributed to a host of improvements and adjustments to the operation of all facets of the office. These changes, including the expert editing of written documents, have made her knowledge and expertise even more valuable. During her time in the office, Chris has done all in her power to ensure that her Directors and colleagues have had everything they need to do their jobs well. Her strong work ethic and ever-pleasant attitude will certainly be missed in the months and years to come."

Chris, on behalf of the Senate, thank you for almost a quarter of a century, and we will miss you.

Messages from the Governor

The following messages from the Governor were received:

Date: June 10, 2002
Time: 12:30 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1172 (Public Act No. 435), being

An act to amend 1945 PA 47, entitled "An act to authorize 2 or more cities, townships, and villages, or any combination of cities, townships, and villages, to incorporate a hospital authority for planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining, and operating 1 or more community hospitals and related buildings or structures and related facilities; to provide for the sale, lease, or other transfer of a hospital owned by a hospital authority to a nonprofit corporation established under the laws of this state for no or nominal monetary consideration; to define hospitals and community hospitals; to provide for changes in the membership therein; to authorize the cities, townships, and villages to levy taxes for community hospital purposes; to provide for the issuance of bonds; to provide for the pledge of assessments; to provide for borrowing money for operation and maintenance and issuing notes for operation and maintenance; to validate elections heretofore held and notes heretofore issued; to validate bonds heretofore issued; to authorize condemnation proceedings; to grant certain powers of a body corporate; to validate and ratify the organization, existence, and membership of entities acting as hospital authorities under the act and the actions taken by hospital authorities and by the members of the hospital authorities; and to prescribe penalties and provide remedies," by amending sections 8 and 8a (MCL 331.8 and 331.8a), section 8a as amended by 1980 PA 104; and to repeal acts and parts of acts.

(Filed with Secretary of State on June 10, 2002, at 4:24 p.m.)

Date: June 10, 2002
Time: 12:32 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1173 (Public Act No. 436), being

An act to amend 1969 PA 38, entitled "An act to create a state hospital finance authority to lend money to nonprofit hospitals and nonprofit health care providers for capital improvements or to refinance hospital, health care, and certain retirement housing indebtedness; to provide for the incorporation of local hospital authorities with power to lend money to nonprofit hospitals and nonprofit health care providers for hospital and health care indebtedness or to refinance hospital, health care, and certain retirement housing indebtedness; to construct, acquire, reconstruct, remodel, improve, add to, enlarge, repair, own, lease, and sell hospital and health care facilities; to finance outstanding hospital, health care, and certain retirement housing indebtedness; to authorize the authorities to borrow money and issue obligations to accomplish the purposes of this act, including the refunding or advance refunding of obligations issued by certain entities; to permit the authorities to enter into loans, contracts, leases, mortgages, and security agreements which may include provisions for the appointment of receivers; to exempt obligations and property of the authorities from taxation; and to provide other rights, powers, and duties of the authorities," by amending sections 12 and 42 (MCL 331.42 and 331.72), section 12 as amended by 1994 PA 428 and section 42 as amended by 1992 PA 302; and to repeal acts and parts of acts.

(Filed with the Secretary of State on June 10, 2002, at 4:26 p.m.)

Date: June 10, 2002
Time: 12:40 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 422 (Public Act No. 433), being

An act to amend 1961 PA 236, entitled "An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts," by repealing sections 3520 and 3615 (MCL 600.3520 and 600.3615).

(Filed with Secretary of State on June 10, 2002, at 4:20 p.m.)

Date: June 10, 2002
Time: 12:42 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 738 (Public Act No. 438), being

An act to amend 1961 PA 236, entitled "An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts," by amending section 2021 (MCL 600.2021).

(Filed with the Secretary of State on June 11, 2002, at 9:38 a.m.)

Date: June 12, 2002
Time: 7:20 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 112 (Public Act No. 439), being

An act to amend 1967 (Ex Sess) PA 7, entitled "An act to provide for interlocal public agency agreements; to provide standards for those agreements and for the filing and status of those agreements; to permit the allocation of certain taxes or money received from tax increment financing plans as revenues; to permit tax sharing; to provide for the imposition of certain surcharges; to provide for additional approval for those agreements; and to prescribe penalties and provide remedies," by amending sections 2, 3, 4, 10, and 12 (MCL 124.502, 124.503, 124.504, 124.510, and 124.512), section 2 as amended by 1995 PA 108 and section 10 as amended by 1985 PA 10.

(Filed with the Secretary of State on June 13, 2002, at 1:54 p.m.)

Date: June 12, 2002
Time: 7:35 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 540 (Public Act No. 440), being

An act to authorize the state administrative board to convey certain state owned property in Macomb county; to prescribe conditions for the conveyance; and to provide for disposition of the revenue from the conveyance.

(Filed with the Secretary of State on June 13, 2002, at 1:56 p.m.)

Date: June 14, 2002
Time: 12:05 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1278 (Public Act No. 442), being

An act to amend 1975 PA 228, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," by amending section 19 (MCL 208.19), as amended by 2001 PA 278.

(Filed with the Secretary of State on June 14, 2002, at 4:20 p.m.)

Date: June 17, 2002
Time: 10:30 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1204 (Public Act No. 443), being

An act to amend 1951 PA 77, entitled "An act providing for the specific taxation of low grade iron ore, of low grade iron ore mining property, and of rights to minerals in lands containing low grade iron ores; to provide for the collection and distribution of the specific tax; to make an appropriation; and to prescribe the powers and duties of the state geologist and township supervisors and treasurers with respect to the specific tax," by amending sections 3 and 4 (MCL 211.623 and 211.624), section 4 as amended by 1994 PA 367.

(Filed with the Secretary of State on June 17, 2002, at 3:10 p.m.)

Date: June 17, 2002
Time: 10:34 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 841 (Public Act No. 444), being

An act to amend 1981 PA 80, entitled "An act to authorize certain cities and counties to issue general obligation bonds or obligations to fund an operating deficit or projected operating deficit; to prescribe the powers and duties of the state administrative board; to provide for the levy of ad valorem property taxes to pay the principal and interest on the bonds or obligations; to prescribe certain conditions related to the bonds or obligations; and to provide remedies for enforcement of this act," by amending sections 4 and 7 (MCL 141.1004 and 141.1007), as amended by 1987 PA 279.

(Filed with the Secretary of State on June 17, 2002, at 3:12 p.m.)

Date: June 17, 2002
Time: 10:36 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 859 (Public Act No. 445), being

An act to amend 1967 (Ex Sess) PA 7, entitled "An act to provide for interlocal public agency agreements; to provide standards for those agreements and for the filing and status of those agreements; to permit the allocation of certain taxes or money received from tax increment financing plans as revenues; to permit tax sharing; to provide for the imposition of certain surcharges; to provide for additional approval for those agreements; and to prescribe penalties and provide remedies," by amending section 7 (MCL 124.507), as amended by 1985 PA 10.

(Filed with the Secretary of State on June 17, 2002, at 3:14 p.m.)

Date: June 17, 2002
Time: 10:38 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 987 (Public Act No. 446), being

An act to amend 1957 PA 4, entitled "An act to provide for the incorporation of municipal authorities to acquire, own and operate water supply and transmission systems; to provide a municipal charter therefor; to prescribe the powers and functions thereof; and to prescribe penalties and provide remedies," by amending sections 15 and 16 (MCL 121.15 and 121.16); and to repeal acts and parts of acts.

(Filed with the Secretary of State on June 17, 2002, at 3:16 p.m.)

Date: June 17, 2002
Time: 10:40 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1074 (Public Act No. 447), being

An act to amend 1925 PA 234, entitled "An act to provide for the creation and establishment of port districts; to prescribe their rights, powers, duties and privileges; to prescribe their powers of regulation in certain cases; to prescribe their powers in respect to acquiring, improving, enlarging, extending, operating, maintaining and financing various projects and the conditions upon which certain of said projects may extend into another state or county," by amending section 32 (MCL 120.32).

(Filed with the Secretary of State on June 17, 2002, at 3:18 p.m.)

Date: June 17, 2002
Time: 10:42 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1269 (Public Act No. 448), being

An act to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 18f (MCL 247.668f), as amended by 1983 PA 82.

(Filed with the Secretary of State on June 17, 2002, at 3:20 p.m.)

Date: June 17, 2002
Time: 10:44 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1300 (Public Act No. 449), being

An act to amend 1961 PA 112, entitled "An act to authorize and provide for the issuance, sale, and refunding of bonds, notes, or commercial paper of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; to provide for use of moneys repaid to the state by school districts; and to make an appropriation," (MCL 388.981 to 388.985) by adding section 1c.

(Filed with the Secretary of State on June 17, 2002, at 3:22 p.m.)

Date: June 17, 2002
Time: 10:46 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1313 (Public Act No. 450), being

An act to amend 1961 PA 108, entitled "An act to provide for loans by the state of Michigan to school districts for the payment of principal and interest upon school bonds; to prescribe the terms and conditions of the loans and the conditions upon which levies for bond principal and interest shall be included in computing the amount to be so loaned by the state; to prescribe the powers and duties of the superintendent of public instruction and the state treasurer in relation to such loans; to provide for the repayment of such loans; to provide incentives for repayment of such loans; to provide for other matters in respect to such loans; and to make an appropriation," (MCL 388.951 to 388.963) by adding section 3a.

(Filed with the Secretary of State on June 17, 2002, at 3:24 p.m.)

Respectfully,
John Engler
Governor

The following messages from the Governor were received and read:

June 11, 2002

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

Collection Practices Advisory Board

Mr. Thomas M. Angelo, 57079 Starcreek Court, Washington, Michigan 49094, county of Macomb, as a member representing professionals, succeeding Ms. Debra A. Beffrey of Saginaw, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

Ms. Daire Rendon, 7351 W. Jennings Road, Lake City, Michigan 49651, county of Missaukee, as a member representing professionals, succeeding Mr. Russell Michmerhuizen, Jr., of Zeeland, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

June 11, 2002

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

Michigan Historical Commission

Dr. Douglas B. Roberts, 1853 North Gate, East Lansing, Michigan 48823, county of Ingham, as a member representing the general public, succeeding the Honorable William C. Whitbeck of Lansing, whose term has expired, for a term expiring on May 21, 2008.

June 12, 2002

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

Crime Victims Services Commission

Ms. Dolores Bussey, 29205 Chelsea Crossing, Farmington Hills, Michigan 48331, county of Oakland, as a member representing the medical profession, succeeding herself, for a term beginning on September 28, 2002 and expiring on September 27, 2005.

Mr. Kevin A. Rynbrandt, 7290 Denison Drive SE, Grand Rapids, Michigan 49546, county of Kent, as a member representing attorneys practicing 5 years or more, succeeding himself, for a term beginning on September 28, 2002 and expiring on September 27, 2005.

June 12, 2002

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

Board of Landscape Architects

Mr. Russell L. Clark, 2629 E. Crown Drive, Traverse City, Michigan 49684, county of Grand Traverse, as a member representing professionals, succeeding himself, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

Mr. H. Traver Wood III, 13372 Beechwood Drive, Charlevoix, Michigan 49720, county of Charlevoix, as a member representing professionals, succeeding Mr. John W. Campbell of Charlevoix, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

June 13, 2002

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

Michigan Beef Industry Commission

Mr. Gary C. Voogt, 2831 Hayes, Marne, Michigan 49435, county of Ottawa, as a member representing cattle breeders, succeeding himself, for a term expiring on May 31, 2005.

Mr. William Sheridan, 3175 Stitts Road, Mason, Michigan 48854, county of Ingham, as a member representing cattle marketers, succeeding himself, for a term expiring on May 31, 2005.

Mr. Kenneth J. Blight, 24010 Division Drive, Albion, Michigan 49224, county of Calhoun, as a member representing cattle feeders, succeeding Mr. Albert F. Hass of Bad Axe, whose term has expired, for a term expiring on May 31, 2005.

Sincerely,
John Engler
Governor

The appointments were referred to the Committee on Government Operations.

Messages from the House

Senator Emmons moved that consideration of the following bill be postponed for today:

Senate Bill No. 991

The motion prevailed.

Senate Bill No. 1102, entitled

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Substitute (H-1).

The question being on concurring in the substitute made to the bill by the House,

Senator North offered the following amendments to the substitute:

1. Amend page 13, line 4, by striking out “(100)” and inserting “(7,591,800)”.
2. Amend page 13, line 5, by striking out “(100)” and inserting “(7,591,800)”.
3. Amend page 13, line 7, by striking out “(100)” and inserting “(7,591,800)” and adjusting the subtotals, totals, and section 201 accordingly.
4. Amend page 21, line 3, after “Sec. 261” by striking out the balance of the section and inserting “(1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) Appropriation authorization adjustments required due to negative appropriations for early retirement savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.”.

The amendments to the substitute were adopted.

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

Senator North offered the following amendments to the substitute:

1. Amend page 5, line 14, by striking out “18,500,000” and inserting “17,700,000”.
2. Amend page 5, line 15, by striking out “47,908,400” and inserting “47,108,400”.
3. Amend page 5, line 19, by striking out “28,716,300” and inserting “27,916,300”.
4. Amend page 6, line 8, by striking out “1,491,300” and inserting “991,200”.
5. Amend page 6, line 10, by striking out “24,447,600” and inserting “24,432,600”.
6. Amend page 6, line 12, by striking out “46,989,400” and inserting “46,969,400”.
7. Amend page 6, line 14, by striking out “29,953,800” and inserting “29,938,800”.
8. Amend page 6, line 15, by striking out “158,150,200” and inserting “157,600,100”.
9. Amend page 6, line 21, by striking out “157,963,200” and inserting “157,413,100”.
10. Amend page 7, line 9, by striking out “37,304,900” and inserting “37,134,900”.
11. Amend page 7, line 10, by striking out “57,233,500” and inserting “57,063,500”.
12. Amend page 7, line 16, by striking out “51,632,400” and inserting “51,462,400” and adjusting the subtotals, totals, and sections 201 and 213 accordingly.
13. Amend page 21, following line 9, by inserting:

“Sec. 262. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

(a) $800,000.00 appropriated to the county jail reimbursement program from the state general fund.

(b) $500,000.00 appropriated to the vaccination program from the state general fund.

(c) $170,000.00 appropriated to academic/vocational programs from the state general fund.
(d) $15,000.00 appropriated to Northern region clinical complexes from the state general fund.
(e) $20,000.00 appropriated to Southeastern region clinical complexes from the state general fund.
(f) $15,000.00 appropriated to Southwestern region clinical complexes from the state general fund.
(2) The appropriations in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.".
14. Amend page 19, line 13, by striking out all of section 220.
15. Amend page 34, line 6, after "be" by striking out "$43.50" and inserting "$42.00".
16. Amend page 34, line 7, after "total." by inserting "However, if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002, state reimbursement for prisoner housing and custody expenses per diverted offender under the county jail reimbursement program under this section shall be $43.50 per diem for up to a 1-year total.".
The amendments to the substitute were adopted.

The President pro tempore, Senator Schwarz, resumed the Chair.

The question being on concurring in the House substitute, as amended,
The substitute was not concurred in, a majority of the members serving not voting therefor, as follows:

Roll Call No. 750 **Yeas—19**

Bennett	Goschka	McCotter	Schwarz
DeGrow	Gougeon	McManus	Sikkema
Dunaskiss	Hammerstrom	North	Stille
Emmons	Hoffman	Sanborn	Van Regenmorter
Garcia	Johnson	Schuette	

Nays—16

Byrum	Emerson	Miller	Shugars
Cherry	Hart	Murphy	Smith
DeBeaussaert	Koivisto	Peters	Steil
Dingell	Leland	Scott	Young

Excused—2

Bullard	Vaughn

Not Voting—1

Gast

In The Chair: Schwarz

Senator Emmons moved to reconsider the vote by which the House substitute was not concurred in.
The question being on the motion to reconsider,

Recess

Senator Emmons moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 12:28 p.m.

12:57 p.m.

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

The question being on the motion to reconsider,
The motion prevailed.
The question being on concurring in the House substitute, as amended,
The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 751 **Yeas—22**

Bennett	Gast	McManus	Shugars
Bullard	Goschka	North	Sikkema
DeGrow	Gougeon	Sanborn	Steil
Dunaskiss	Hammerstrom	Schuette	Stille
Emmons	Hoffman	Schwarz	Van Regenmorter
Garcia	Johnson		

Nays—12

Byrum	Dingell	Koivisto	Peters
Cherry	Emerson	Leland	Smith
DeBeaussaert	Hart	Miller	Young

Excused—1

Vaughn

Not Voting—3

McCotter	Murphy	Scott

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was not concurred in, 2/3 of the members serving not voting therefor.
Senator Emmons requested the yeas and nays.
The yeas and nays were ordered, 1/5 of the members present voting therefor.
The recommendation was not concurred in, 2/3 of the members serving not voting therefor, as follows:

Roll Call No. 752 **Yeas—23**

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
DeGrow	Gougeon	North	Steil
Dunaskiss	Hammerstrom	Sanborn	Stille
Emmons	Hoffman	Schuette	Van Regenmorter
Garcia	Johnson	Schwarz	

Nays—13

Byrum	Emerson	Leland	Scott
Cherry	Hart	Miller	Smith
DeBeaussaert	Koivisto	Peters	Young
Dingell			

Excused—1

Vaughn

Not Voting—1

Murphy

In The Chair: Schwarz

Protest

Senator Cherry, under his constitutional right of protest (Art. 4, Sec. 18), protested against immediate effect for Senate Bill No. 1102.

Senator Cherry's statement is as follows:

I voted "no" on immediate effect for the previous bill because the bill was amended here on the Senate floor. It's going back to the House for concurrence with the Senate amendment, and I personally did not want to vote for immediate effect until we've seen the completion of the House activity on the bill.

Senators Shugars and Hart asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Shugars' statement is as follows:

I voted "no" on the previous bill because of the fact that I was not comfortable that subsequently there may be a push to postpone the SBT tax. After the caucus and listening to my colleagues in the Republican Caucus that over a majority of the caucus members are not going to support postponing the SBT tax and with the assurances of my colleagues and leadership that will not occur, I am going to reverse my vote and vote "yes" for this bill.

Senator Hart's statement is as follows:

Tonia Gage, who has been my constituent relations specialist for the past three years, will be leaving my office on August 1 to pursue her teaching career in the Montessori School in Chicago—my kind of town. Tonia has been with my office for approximately three years and with the Michigan Senate for more than six years. She's a wonderful asset to my office, to my staff, and to me personally—she's family. That's the way she reflects her attitude towards the people whom she serves.

I'm proud that Tonia is a part of my team. We wish her all the best in her future endeavors. She will be greatly missed. Thank you, Tonia, for a job well done, and good luck with your teaching career in my kind of town—Chicago.

Senator Emmons moved that consideration of the following bill be postponed temporarily:

Senate Bill No. 1099

The motion prevailed.

Senate Bill No. 1314, entitled

A bill to amend 2001 PA 34, entitled "Revised municipal finance act," by amending sections 317, 403, 611, and 701 (MCL 141.2317, 141.2403, 141.2611, and 141.2701).

Substitute (H-1).

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 753 **Yeas—37**

Bennett	Garcia	Leland	Schwarz
Bullard	Gast	McCotter	Scott
Byrum	Goschka	McManus	Shugars
Cherry	Gougeon	Miller	Sikkema
DeBeaussaert	Hammerstrom	Murphy	Smith
DeGrow	Hart	North	Steil
Dingell	Hoffman	Peters	Stille
Dunaskiss	Johnson	Sanborn	Van Regenmorter
Emerson	Koivisto	Schuette	Young
Emmons			

Nays—0

Excused—1

Vaughn

Not Voting—0

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the full title.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 1101, entitled
A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2003; 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; and to provide for disposition of fees and other income received by the various state agencies.
The House of Representatives has appointed Reps. Mortimer, Rick Johnson and Stallworth as conferees to join with Senators Gougeon, DeGrow and Smith.
The bill was referred to the Conference Committee on June 7, 2002.

Senate Bill No. 1104, entitled
A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.
The House of Representatives has appointed Reps. Mead, Jansen and Rich Brown as conferees to join with Senators Bennett, Gast and DeBeaussaert.
The bill was referred to the Conference Committee on June 7, 2002.

Senate Bill No. 1106, entitled
A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe

certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The House of Representatives has appointed Reps. Mead, Jansen and Rich Brown as conferees to join with Senators McManus, Gast and Koivisto.

The bill was referred to the Conference Committee on June 7, 2002.

House Bill No. 5643, entitled

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; and to repeal acts and parts of acts.

The House of Representatives has appointed Reps. Caul, Newell and Lockwood as conferees to join with Senators Johnson, Stille and Dingell.

The message was referred to the Secretary for record.

House Bill No. 5644, 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, 2003; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The House of Representatives has appointed Reps. Shulman, LaSata and Lockwood as conferees to join with Senators Bennett, Stille and Young.

The message was referred to the Secretary for record.

House Bill No. 5646, entitled

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal years ending September 30, 2002 and September 30, 2003; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2003; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The House of Representatives has nonconcurred in the Senate substitute (S-1) and appointed Reps. Pappageorge, Palmer and Whitmer as conferees.

The message was referred to the Secretary for record.

House Bill No. 5647, entitled

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to provide for the disbursement of certain grants; to provide for reports; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The House of Representatives has appointed Reps. Shulman, LaSata and Lockwood as conferees to join with Senators Bennett, Stille and Young.

The message was referred to the Secretary for record.

House Bill No. 5648, entitled

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2003; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

The House of Representatives has nonconcurred in the Senate substitute (S-1) and appointed Reps. Godchaux, Kooiman and Clarke as conferees.

The message was referred to the Secretary for record.

Senate Bill No. 1104, entitled

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The House of Representatives has appointed Rep. LaSata to replace Rep. Jansen as conferee.

The message was referred to the Secretary for record.

Conference Reports

Senator Emmons moved that consideration of the following joint resolution be postponed for today:

Senate Joint Resolution D

The motion prevailed.

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

Senate Bill No. 1106

Senate Bill No. 1103

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

Senator McManus submitted the following:

FIRST CONFERENCE REPORT

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

Senate Bill No. 1106, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Recommends:

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

A bill to make appropriations for the department of natural resources for the fiscal years ending September 30, 2002 and September 30, 2003; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2002-03

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF NATURAL RESOURCES

Full-time equated unclassified positions	6.0		
Full-time equated classified positions	2,075.5		
GROSS APPROPRIATION		$	257,719,600
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers		$	3,437,900
ADJUSTED GROSS APPROPRIATION		$	254,281,700
Federal revenues:			
Total federal revenues			30,427,300
Special revenue funds:			
Total local revenues			0
Total private revenues			1,793,700
Total other state restricted revenues			178,236,400
State general fund/general purpose		$	43,824,300

		For Fiscal Year Ending Sept. 30, 2003
FUND SOURCE SUMMARY		
GROSS APPROPRIATION	$	257,719,600
Interdepartmental grant revenues:		
IDG, engineering services to work orders	$	1,286,700
IDG, MacMullan conference center revenue		1,300,600
IDG, land acquisition services to work orders		664,500
IDT, interdivisional charges		186,100
Total interdepartmental grants and intradepartmental transfers		3,437,900
ADJUSTED GROSS APPROPRIATION	$	254,281,700
Federal revenues:		
DAG, federal		2,681,800
DOC, federal		45,900
DOD, federal		31,000
DOE, federal		1,000
DOI, federal		20,165,700
DOI-MMS, federal oil and gas royalty revenue		150,000
DOI-MMS, federal timber revenue		3,300,000
DOT, federal		3,801,200
EPA, federal		248,700
Federal, corporation for national and community service		1,000
Federal, homeland defense		1,000
Total federal revenues		30,427,300
Special revenue funds:		
Private funds		1,271,400
Private-gift revenues		500,000
Private, IGLFC		22,300
Total private revenues		1,793,700
Aircraft fees		219,900
Air photo - geographic information system		135,000
Automated license system revenue		429,300
Clean Michigan initiative fund		277,800
Commercial fishing fee revenue		200
Delinquent property tax administration fund		1,065,900
Environmental protection fund		1,897,600
Forest recreation fund		1,120,700
Forest resource revenue		24,341,500
Game and fish protection fund		60,079,300
Game and fish protection fund - deer habitat reserve		2,262,100
Game and fish protection fund - turkey permit fees		1,457,000
Game and fish protection fund - waterfowl fees		90,500
Game and fish - wildlife resource protection fund		1,344,100
Harbor development fund		245,900
Land exchange facilitation fund		5,503,100
Land sale revenue		2,639,300
Marine safety fund		5,011,400
Michigan civilian conservation corps endowment fund		1,311,000
Michigan state waterways fund		14,834,500
Michigan natural resources trust fund		3,847,600
Michigan state parks endowment fund		5,248,500
Nongame wildlife fund		592,500
Off-road vehicle trail improvement fund		2,759,200
Park improvement fund		30,859,800
Publications revenue		58,700
Recreation improvement fund		1,414,400
Shop fees		56,300
Snowmobile registration fee revenue		1,779,600

		For Fiscal Year Ending Sept. 30, 2003
Snowmobile trail improvement fund	$	7,353,700
Total other state restricted revenues		178,236,400
State general fund/general purpose	$	43,824,300
Sec. 102. EXECUTIVE		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 10.0		
Commission (including travel expense—per diem)	$	90,000
Unclassified salaries—6.0 FTE positions		438,600
Executive direction—10.0 FTE positions		1,757,400
GROSS APPROPRIATION	$	2,286,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MacMullan conference center revenue		15,800
Special revenue funds:		
Air photo - geographic information system		1,000
Delinquent property tax administration fund		5,400
Forest resource revenue		223,800
Game and fish protection fund		669,000
Harbor development fund		600
Land exchange facilitation fund		10,600
Land sale revenue		40,300
Marine safety fund		23,600
Michigan civilian conservation corps endowment fund		500
Michigan natural resources trust fund		2,300
Michigan state parks endowment fund		1,900
Michigan state waterways fund		242,100
Nongame wildlife fund		900
Off-road vehicle trail improvement fund		2,700
Park improvement fund		421,700
Recreation improvement fund		1,700
Snowmobile registration fee revenue		2,700
Snowmobile trail improvement fund		5,100
State general fund/general purpose	$	614,300
Sec. 103. ADMINISTRATIVE SERVICES		
Full-time equated classified positions 243.2		
Finance and operations services—126.7 FTE positions	$	7,275,200
Internal audit—12.0 FTE positions		744,900
Office of information and education—15.0 FTE positions		2,810,800
Human resources—22.0 FTE positions		1,975,100
Office of property management—67.5 FTE positions		12,270,500
GROSS APPROPRIATION	$	25,076,500
Appropriated from:		
Interdepartmental grant revenues:		
IDT, interdivisional charges		186,100
IDG, engineering to work orders		1,286,700
IDG, land acquisition services to work orders		664,500
IDG, MacMullan conference center revenue		18,600
Federal revenues:		
DOI, federal		120,300
Special revenue funds:		
Aircraft fees		113,400
Air photo - geographic information system		10,200
Automated license system revenue		3,000
Clean Michigan initiative fund		277,800
Delinquent property tax administration		1,024,400
Forest resource revenue		1,704,100
Game and fish protection fund		4,704,800

		For Fiscal Year Ending Sept. 30, 2003
Land exchange facilitation fund	$	5,450,900
Land sale revenue		1,839,300
Marine safety fund		386,300
Michigan civilian conservation corps endowment fund		5,900
Michigan natural resources trust fund		761,800
Michigan state parks endowment fund		72,900
Michigan state waterways fund		943,200
Nongame wildlife fund		7,600
Off-road vehicle trail improvement fund		6,700
Park improvement fund		1,730,500
Publications revenue		58,700
Recreation improvement fund		8,800
Snowmobile registration fee revenue		67,100
Snowmobile trail improvement fund		46,600
State general fund/general purpose	$	3,576,300
Sec. 104. DEPARTMENTAL OPERATION SUPPORT		
Building occupancy charges	$	2,139,100
Rent - privately owned property		335,700
Gifts and bequests		500,000
GROSS APPROPRIATION	$	2,974,800
Appropriated from:		
Special revenue funds:		
Private - gift revenues		500,000
Forest resource revenue		139,400
Game and fish protection fund		613,300
Land sale revenue		50,500
Marine safety fund		43,900
Michigan state waterways fund		201,300
Michigan natural resources trust fund		12,500
Park improvement fund		57,100
Snowmobile trail improvement fund		20,400
State general fund/general purpose	$	1,336,400
Sec. 105. WILDLIFE MANAGEMENT		
Full-time equated classified positions 183.0		
Wildlife administration—14.5 FTE positions	$	1,448,200
Wildlife management—159.5 FTE positions		20,509,300
Natural resources heritage—9.0 FTE positions		1,541,300
State game and wildlife area maintenance		200,000
GROSS APPROPRIATION	$	23,698,800
Appropriated from:		
Federal revenues:		
DOD, federal		31,000
DOI, federal		8,162,100
EPA, federal		1,000
Special revenue funds:		
Private funds		100,000
Game and fish protection fund		8,881,200
Game and fish protection fund - deer habitat reserve		2,019,100
Game and fish protection fund - turkey permit fees		1,457,000
Game and fish protection fund - waterfowl fees		90,500
Nongame wildlife fund		563,600
State general fund/general purpose	$	2,393,300
Sec. 106. FISHERIES MANAGEMENT		
Full-time equated classified positions 225.0		
Fisheries administration—8.5 FTE positions	$	954,400
Commercial fisheries—2.7 FTE positions		202,500

		For Fiscal Year Ending Sept. 30, 2003
Recreational fisheries—14.0 FTE positions	$	1,703,900
Fish production—57.4 FTE positions		6,872,400
Fisheries resource management—142.4 FTE positions		13,166,200
Treaty waters management fund work project		138,200
Stream habitat improvement		1,284,800
GROSS APPROPRIATION	$	24,322,400
Appropriated from:		
Federal revenues:		
DOE, federal		1,000
DOC, federal		45,900
DOI, federal		6,510,400
EPA, federal		142,100
Special revenue funds:		
Private, IGLFC		22,300
Commercial fishing fee revenue		200
Game and fish protection fund		17,396,500
State general fund/general purpose	$	204,000
Sec. 107. PARKS AND RECREATION		
Full-time equated classified positions 830.8		
State parks—600.8 FTE positions	$	39,635,300
MacMullan conference center—7.0 FTE positions		1,266,200
Recreational boating—201.5 FTE positions		12,306,700
Michigan civilian conservation corps—3.0 FTE positions		1,306,600
State parks improvement revenue bonds - debt service		1,200,000
Trails—18.5 FTE positions		2,392,600
GROSS APPROPRIATION	$	58,107,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG, MacMullan conference center revenue		1,266,200
Federal revenues:		
EPA, federal		104,600
Federal, corporation for national and community service		1,000
Federal, homeland defense		1,000
Special revenue funds:		
Private funds		316,600
Harbor development fund		245,300
Michigan civilian conservation corps endowment fund		1,304,600
Michigan state parks endowment fund		4,661,700
Michigan state waterways fund		12,061,400
Off-road vehicle trail improvement fund		575,400
Park improvement fund		26,497,500
Recreation improvement fund		284,900
Snowmobile trail improvement fund		1,744,000
State general fund/general purpose	$	9,043,200
Sec. 108. FOREST, MINERAL, AND FIRE MANAGEMENT		
Full-time equated classified positions 311.0		
Timber harvest—86.0 FTE positions	$	6,781,800
Forest cultivation and reforestation—23.0 FTE positions		3,996,900
Forest resource planning and land use—15.0 FTE positions		4,727,700
Private forest development—10.5 FTE positions		879,600
Forest finance authority—9.0 FTE positions		1,680,400
Adopt-a-forest program		50,000
Forest fire protection—137.5 FTE positions		10,219,000
Forest recreation—14.5 FTE positions		2,025,700
Forest management initiative		126,400
Minerals management—15.3 FTE positions		1,813,700

		For Fiscal Year Ending Sept. 30, 2003
Resource mapping and aerial photography—0.2 FTE positions	$	307,600
National forest management		1,000
Forest fire equipment		1,700,000
Cooperative resource programs		1,650,000
GROSS APPROPRIATION	$	35,959,800
Appropriated from:		
Federal revenues:		
DAG, federal		1,556,800
DOI, federal		2,000
EPA, federal		1,000
Special revenue funds:		
Private funds		804,800
Aircraft fees		106,500
Air photo - geographic information system		103,000
Forest recreation fund		1,120,700
Forest resource revenue		20,738,100
Game and fish protection fund		1,741,600
Michigan natural resources trust fund		1,081,400
Michigan state parks endowment fund		471,800
Michigan state waterways fund		340,500
Shop fees		56,300
State general fund/general purpose	$	7,835,300
Sec. 109. LAW ENFORCEMENT		
Full-time equated classified positions 272.5		
Wildlife resource protection—10.0 FTE positions	$	1,332,500
General law enforcement—262.5 FTE positions		25,437,800
GROSS APPROPRIATION	$	26,770,300
Appropriated from:		
Federal revenues:		
DOI, federal		1,061,900
DOT, federal		2,001,200
Special revenue funds:		
Game and fish - wildlife resource protection fund		1,332,500
Game and fish protection fund		15,606,200
Marine safety fund		1,303,700
Off-road vehicle trail improvement fund		743,400
Snowmobile registration fee revenue		564,100
State general fund/general purpose	$	4,157,300
Sec. 110. PAYMENTS IN LIEU OF TAXES		
Swamp and tax reverted lands		7,071,500
Purchased lands taxes		11,614,800
Commercial forest reserve		2,691,700
GROSS APPROPRIATION	$	21,378,000
Appropriated from:		
Special revenue funds:		
Environmental protection fund		1,897,600
Game and fish protection fund		4,455,800
Michigan natural resources trust fund		1,002,700
Michigan state waterways fund		283,700
State general fund/general purpose	$	13,738,200
Sec. 111. GRANTS		
Grant to counties—marine safety	$	3,230,000
Federal - land and water conservation fund payments		4,134,000
Federal - forest stewardship grants		625,000
Federal - urban forestry grants		400,000
Federal - clean vessel act grants		175,000
Federal - rural community fire protection		100,000

		For Fiscal Year Ending Sept. 30, 2003
Grants to communities - federal oil, gas, and timber payments	$	3,450,000
Recreation improvement fund grants		1,100,000
Snowmobile local grants program		5,480,000
Snowmobile law enforcement grants		1,142,000
Off-road vehicle trail improvement grants		1,374,500
National recreational trails		1,850,000
Game and nongame wildlife fund grants		10,000
Inland fisheries resources grants		200,000
GROSS APPROPRIATION	$	23,270,500
Appropriated from:		
Federal revenues:		
DAG, federal		1,125,000
DOI, federal		4,309,000
DOI, oil and gas royalty revenue		150,000
DOI-MMS, federal timber revenue		3,300,000
DOT, federal		1,800,000
Special revenue funds:		
Private funds		50,000
Game and fish protection fund		200,000
Marine safety fund		3,230,000
Nongame wildlife fund		10,000
Off-road vehicle trail improvement fund		1,374,500
Recreation improvement fund		1,100,000
Snowmobile registration fees		1,142,000
Snowmobile trail improvement fund		5,480,000
State general fund/general purpose	$	0
Sec. 112. INFORMATION TECHNOLOGY		
Information technology services and projects	$	15,599,900
GROSS APPROPRIATION	$	15,599,900
Appropriated from:		
Special revenue funds:		
Air photo - geographic information system		20,800
Automated license system revenue		426,300
Delinquent property tax administration fund		36,100
Forest resource revenue		1,536,100
Game and fish protection fund		5,810,900
Game and fish protection fund - deer habitat reserve		243,000
Game and fish - wildlife resource protection fund		11,600
Land exchange facilitation fund		41,600
Land sale revenue		709,200
Marine safety fund		23,900
Michigan natural resources trust fund		986,900
Michigan state parks endowment fund		40,200
Michigan state waterways fund		762,300
Nongame wildlife fund		10,400
Off-road vehicle trail improvement fund		56,500
Park improvement fund		2,153,000
Recreation improvement fund		19,000
Snowmobile registration fees		3,700
Snowmobile trail improvement fund		57,600
State general fund/general purpose	$	2,650,800
Sec. 113. EARLY RETIREMENT AND BUDGETARY SAVINGS		
Early retirement savings	$	(1,269,300)
Budgetary savings		(455,500)
GROSS APPROPRIATION	$	(1,724,800)
Appropriated from:		
State general fund/general purpose	$	(1,724,800)

PART 1A

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2001-02

Sec. 151. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2002, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF NATURAL RESOURCES

APPROPRIATION SUMMARY:		
GROSS APPROPRIATION	$	836,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	836,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		836,000
State general fund/general purpose	$	0
Sec. 152. PAYMENTS IN LIEU OF TAXES		
Purchased lands taxes	$	801,000
GROSS APPROPRIATION	$	801,000
Appropriated from:		
Special revenue funds:		
Environmental protection fund		598,700
Game and fish protection fund		30,000
Michigan natural resources trust fund		148,000
Michigan state waterways fund		24,300
State general fund/general purpose	$	0
Sec. 153. GRANTS		
Grant to counties—marine safety	$	35,000
GROSS APPROPRIATION	$	35,000
Appropriated from:		
Special revenue funds:		
Marine safety fund		35,000
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 2002-2003 is $222,060,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is $25,750,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF NATURAL RESOURCES		
PAYMENTS IN LIEU OF TAXES		
Swamp and tax reverted lands	$	7,071,500
Purchased lands taxes		11,614,800
Commercial forest reserve		2,691,700
GRANTS		
Grants to counties - marine safety	$	3,230,000
Snowmobile law enforcement		1,142,000
TOTAL	$	25,750,000

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 act:

(a) “Commission” means the commission of natural resources.

(b) “DAG” means the United States department of agriculture.

(c) “Department” means the department of natural resources.

(d) “DOC” means the United States department of commerce.

(e) “DOD” means the United States department of defense.

(f) "DOE" means the United States department of energy.
(g) "DOI" means the United States department of interior.
(h) "DOI-MMS" means DOI minerals management service.
(i) "DOT" means the United States department of transportation.
(j) "EPA" means the United States environmental protection agency.
(k) "FTE" means full-time equated.
(*l*) "IDG" means interdepartmental grant.
(m) "IDT" means intradepartmental transfer.
(n) "IGLFC" means the international Great Lakes fish commission.

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.

(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, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly 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 quarter and the reasons to justify the exception.

(3) It is the intent of the legislature that vacancies resulting from an early retirement program offered to the state civil service after January 1, 2002 are exempt from the hiring freeze imposed by subsection (1). Early retirement vacancies shall be filled at a rate necessary to ensure that the department's mission of conservation, protection, management, use, and enjoyment of the state's natural resources for current and future generations is not impaired.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $3,000,000.00 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 $5,000,000.00 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 $100,000.00 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 $500,000.00 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 120 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. Unless otherwise specified in this act, the department shall use 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 an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 should not be used for the purchase of foreign goods or services, or both, if competitively priced American goods or services, or both, of comparable quality are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value.

Sec. 210. (1) From funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant, loan, or grant and loan programs administered by the department for the fiscal year ending on September 30, 2003:

(a) The name of each program.

(b) The goals, criteria, filing fees, nominating procedures, eligibility requirements, processes, and deadlines for each program.

(c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.

(d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.

(e) Information pertaining to the application process, timeline for each program, and the contact people within the department.

(f) The source of funds for each program, including the citation of pertinent authorizing acts.

(g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.

(h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan during the fiscal year ending September 30, 2002.

(2) The reports required under this section shall be submitted to the state budget director, the senate and house appropriations committees and the senate and house fiscal agencies by January 1, 2003.

Sec. 211. Appropriations of state restricted game and fish protection funds have been made to the following departments and agencies in their respective appropriation bills. The amounts appropriated to these departments and agencies are limited to the amounts listed below:

Department of civil service	$	293,200
Legislative auditor general		21,400
Attorney general		640,800
Department of management and budget		233,200
Department of treasury		4,200

Sec. 212. By February 15, 2003, the department shall provide the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies with an annual report on estimated restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2002 and September 30, 2003.

Sec. 213. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports. The requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

Sec. 214. (1) Before January 16, 2003, the department, in cooperation with the Michigan state waterways commission, shall report to the executive budget office, the senate and house fiscal agencies, and the senate and house of representatives appropriations subcommittees on natural resources detailing operations of the Michigan state waterways commission for the preceding 1-year period.

(2) The department, in cooperation with the Michigan state waterways commission, shall determine which projects should be acquired or developed with money from the state waterways fund or harbor development fund and shall submit to the executive budget office, the senate and house fiscal agencies, and the senate and house of representatives appropriations subcommittees on natural resources in January 2003 a list of those projects, compiled in order of priority. The list shall be accompanied by estimates of total costs for the proposed projects.

(3) The department, in cooperation with the Michigan state waterways commission, shall supply with each list under subsection (2) a statement of the guidelines used in listing and assigning the priority of these projects.

Sec. 215. The department shall develop a plan for allocating restricted funds among department administrative support and regulatory activities. This plan shall be submitted to the house and senate appropriations subcommittees on natural resources by January 30, 2003. This plan shall include a cost allocation plan for financial services support, office space rent and building occupancy charges, support division service for information systems and technology, and a methodology to use information generated through activity reports that identifies the percentage of employee time spent on restricted fund activities.

Sec. 219. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection fund, $6,000,000.00 for the fiscal year ending September 30, 2003.

EXECUTIVE

Sec. 301. The appropriations in part 1 for the commission may be used for per diem payments to the members of the commission or of committees of the commission for a full day of commission or committee work at which a quorum is present, for attending a hearing as authorized by the commission or committee, or for performing official business as authorized by the commission or committee. The per diem payment for members of the commission shall be $75.00.

Sec. 302. On June 15, 2003, the department shall submit to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies a report on fish, game, and nongame habitat improvement and treatment projects completed or planned during the fiscal year ending September 30, 2002 and the fiscal year ending September 30, 2003. This report shall include a list of all habitat treatment and improvement projects by management unit. This list shall be accompanied by all of the following information:

(a) The target species of wildlife or fish to benefit from unit projects.

(b) The number of acres or, for an inland lake, river, or stream, the number of feet treated or improved, the county in which the project is located, and the methods of treatment or improvement.

(c) The division with lead responsibility for the projects and all organizations involved in the projects, including, but not limited to, department personnel, contractors, or subcontractors.

(d) The total cost per acre and the funding sources supporting management unit projects. The report shall identify the program line item supporting project expenditures.

(e) A separate summary, by fund or subfund, of all projects completed in the fiscal year ending September 30, 2002 or the fiscal year ending September 30, 2003.

ADMINISTRATIVE SERVICES

Sec. 401. The department may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2003, for engineering services provided, a standard percentage fee to recover actual costs. The department may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 402. The department shall prominently display in a prominent place in the fishing guide provided to each licensed fisher, the website for the department of community health. In addition, the fishing guide shall include information on alternative sources where interested parties without Internet access may find information on fish advisories issued by the department of community health.

Sec. 403. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2003, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 404. The land sale fund is created. An amount equal to the cost of personal services, printing, postage, advertising, contractual services, and facility rental associated with tax reverted lands shall be deducted from the sales and credited to the land sale fund.

WILDLIFE MANAGEMENT

Sec. 601. Of the funds appropriated in section 105, the department shall reimburse the department of agriculture for costs incurred for indemnification payments for livestock losses caused by wolves under the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.745.

Sec. 602. By April 1, 2003 and September 30, 2003, the department shall report to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies on spending from the amounts appropriated in part 1 for bovine tuberculosis control efforts. The report shall include, but not be limited to, information on activities at the animal diagnostic laboratory at Michigan State University that are funded with appropriations in part 1.

Sec. 604. Of the amount appropriated in section 105 for wildlife management, $10,000.00 is appropriated to study available options and develop a strategic plan for the treatment and mitigation of chronic wasting disease in Michigan wildlife populations. This plan shall be provided to the house and senate appropriations subcommittees on natural resources and environmental quality and the house and senate fiscal agencies not later than September 30, 2003.

FISHERIES MANAGEMENT

Sec. 701. The department shall not impede the certification process for water control structures on Michigan waterways. The department shall fund from funds appropriated in part 1 all non-water-quality studies or requirements that the department requests of either of the following:

(a) The department of environmental quality as a condition for issuance of a certification under section 401 of the federal water pollution control act, title IV of chapter 758, 86 Stat. 877, 33 U.S.C. 1341.

(b) The federal energy regulatory commission as a condition of licensing under the federal power act, chapter 285, 41 Stat. 1063, 16 U.S.C. 791a to 793, 796 to 797, 798 to 818, 820 to 824a, and 824b to 825r.

Sec. 702. (1) From the appropriation in section 106 for stream habitat improvement, not more than $758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division of the department shall develop priority and cost estimates for all recommended projects.

PARKS AND RECREATION

Sec. 801. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed $10,000,000.00 for the fiscal year ending September 30, 2003.

Sec. 802. Federal corporation for national and community service (AmeriCorps) or office of homeland security funding that is available to the state may be provided to increase appropriations for the Michigan civilian conservation corps, pursuant to section 206.

Sec. 803. (1) The department shall prepare detailed reports for construction projects in state parks that will involve campsite or campground closures. These reports shall include expected costs, impacts on recreation opportunities, impacts on state park revenues, and the expected impact on state park users. The department shall also prepare reports on average monthly campground occupancy rates for every state park during the 2002 summer season. The department shall provide reports described in this subsection to the house and senate appropriations subcommittees on natural resources and environmental quality and the house and senate fiscal agencies not later than April 1, 2003.

(2) The department shall notify the house and senate appropriations subcommittees on natural resources and environmental quality and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities at any state park or recreation area.

FOREST, MINERAL, AND FIRE MANAGEMENT

Sec. 901. Of the funds appropriated in part 1, the department shall prescribe appropriate treatment on 63,000 acres, plus or minus 10%, at the current average rate of 12.5 to 13 cords per acre provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber.

Sec. 902. The department is encouraged to continue workgroup efforts to develop an old growth forest stewardship strategy. It is the intent of the legislature that "old growth" means forest stands that are of pre-1880 origin.

Sec. 903. The department shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for additional foresters to mark timber, pursuant to section 901.

Sec. 904. The appropriation in part 1 for federal forest management is contingent upon the delegation of timber management responsibilities by the U.S. department of agriculture. Additional funding may be provided for this purpose, pursuant to section 206.

Sec. 905. The appropriation for the adopt-a-forest program in part 1 shall be used to cover the cost of disposing of waste material collected from state forest lands.

Sec. 906. Forest camping fees shall not be assessed for dispersed camping in Michigan state forests.

Sec. 907. In addition to the funds appropriated in section 108, $350,000.00 is appropriated to cover costs related to any declared emergency involving the collapse of any abandoned mine shaft located on state land. This appropriation shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations.

LAW ENFORCEMENT

Sec. 1001. The appropriation in section 113 for snowmobile law enforcement grants shall be used to provide grants to county law enforcement agencies in counties with state snowmobile trails to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department shall consider the number of enforcement hours and the number of miles of trails in each county in allocating these grants. Any funds not distributed to counties revert back to the local law enforcement fund. Counties shall provide semiannual and annual reports to the department.

PAYMENTS IN LIEU OF TAXES

Sec. 1051. Of the amounts appropriated in part 1 for purchased land taxes, $1,897,600.00 is appropriated from the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

GRANTS

Sec. 1101. The amount appropriated in part 1 for federal-rural community fire protection shall be awarded as grants to local fire protection departments. To be eligible, local fire protection departments shall be located in governmental units or fire protection districts with permanent populations of less than 10,000 and with publicly owned forested land.

Sec. 1102. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. The department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget office on all amounts appropriated under this section.

Sec. 1103. (1) The use of federal funding received by the state from the land and water conservation fund and appropriated in part 1 shall be coordinated with state grants to local units of government from the Michigan natural resources trust fund. The coordination of the two funding sources shall be conducted in a manner that minimizes the total matching funds required from local units of government for local land acquisition or recreational development projects.

(2) The board of the Michigan natural resources trust fund shall report on the final disposition of federal funding from the land and water conservation fund in the board's annual report to the legislature.

Sec. 1104. Of the amount appropriated in section 113 for off-road vehicle trail improvement grants, not less than $25,000.00 shall be available for a county that contains a state park off-road vehicle area and applies for law enforcement assistance to regulate off-road vehicle use.

INFORMATION TECHNOLOGY

Sec. 1201. The department of information technology shall establish a schedule of rates, user fees, and charges or assessments for standard services and information system support requirements to be made to departments for technology related services and projects. This schedule, as well as copies of related interagency agreements, shall be provided to the state budget office and the house and senate committees on appropriations before October 1, 2002.

Sec. 1202. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

EARLY RETIREMENT AND BUDGETARY SAVINGS

Sec. 1301. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2001-02

GENERAL SECTIONS

Sec. 1401. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1a for fiscal year 2001-02 is $836,000.00, and state spending from state resources to be paid to local units of government for fiscal year 2001-02 is $801,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF NATURAL RESOURCES

PAYMENTS IN LIEU OF TAXES

Purchased lands taxes	$	801,000
TOTAL	$	801,000

PAYMENTS IN LIEU OF TAXES

Sec. 1451. Of the amounts appropriated in part 1A for purchased lands taxes, $598,700.00 is appropriated from the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

GRANTS

Sec. 1501. The money appropriated in section 153 shall be used by Michigan State University to develop equipment and procedures that will accurately measure and record distance to and sound levels of watercraft engines if matching funds are provided by lake property associations.

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

A bill to make appropriations for the department of natural resources for the fiscal years ending September 30, 2002 and September 30, 2003; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

George A. McManus, Jr.
Harry Gast
Conferees for the Senate

David Mead
Mark Jansen
Conferees for the House

The question being on the adoption of the conference report,

Senator Emmons moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

Senator Stille submitted the following:

FIRST CONFERENCE REPORT

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

Senate Bill No. 1103, entitled

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

Recommends:

First: That the 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 education and certain other purposes relating to education for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of education for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY:		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 436.1		
GROSS APPROPRIATION	$	214,393,000
Interdepartmental grant revenues:		
Interdepartmental grant from corrections academy lease		1,000,000
Total interdepartmental grants and intradepartmental transfers		1,000,000
ADJUSTED GROSS APPROPRIATION	$	213,393,000
Federal revenues:		
Total federal revenues		165,731,500
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		4,641,600
Local school district service fees		102,600
Total local revenues		4,744,200
Gifts, bequests, and donations		504,200
Private foundations		197,200
Total private revenues		701,400
Total local and private revenues		5,445,600
Certification fees		2,782,600
Commodity distribution fees		71,400
Driver fees		8,124,600
Lansing, Michigan school for the blind rent		739,000
Motorcycle license fees		1,543,800
Safety education fund		414,700
School loan exception fees		67,300
Student insurance revenue		205,100
Teacher testing fees		280,800
Training and orientation workshop fees		100,000
Total other state restricted revenues		14,329,300
State general fund/general purpose	$	27,886,600

Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 14.0		
State board of education, per diem payments	$	24,400
Unclassified positions—6.0 FTE positions		515,600
State board/superintendent operations—14.0 FTE positions		1,984,400
GROSS APPROPRIATION	$	2,524,400
Appropriated from:		
Federal revenues:		
Federal revenues		577,200
Special revenue funds:		
Private foundations		23,000
State general fund/general purpose	$	1,924,200

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions 45.3		
Central support—45.3 FTE positions	$	5,414,600
Worker's compensation		101,000
Education commission of the states		99,300
Building occupancy charges - property management services		1,439,600
Training and orientation workshops		100,000
Terminal leave payments		260,500
GROSS APPROPRIATION	$	7,415,000

		For Fiscal Year Ending Sept. 30, 2003
Appropriated from:		
Federal revenues:		
Federal revenues	$	4,066,400
Special revenue funds:		
Certification fees		172,000
Commodity distribution fees		6,100
Driver fees		24,700
Local cost sharing		48,900
Motorcycle license fees		4,600
Safety education fund		2,600
School loan exception fees		67,300
Teacher testing fees		11,000
Training and orientation workshop fees		100,000
State general fund/general purpose	$	2,911,400
Sec. 104. SCHOOL SUPPORT SERVICES		
Full-time equated classified positions 41.4		
School support operations—41.4 FTE positions	$	5,260,800
GROSS APPROPRIATION	$	5,260,800
Appropriated from:		
Federal revenues:		
Federal revenues		4,010,500
Special revenue funds:		
Commodity distribution fees		65,300
Driver fees		499,900
Motorcycle license fees		339,200
Safety education fund		117,800
State general fund/general purpose	$	228,100
Sec. 105. INFORMATION TECHNOLOGY SERVICES		
Information technology operations	$	3,288,100
GROSS APPROPRIATION	$	3,288,100
Appropriated from:		
Interdepartmental grant revenues:		
Federal revenues:		
Federal revenues		1,063,800
Special revenue funds:		
Certification fees		168,200
State general fund/general purpose	$	2,056,100
Sec. 106. SPECIAL EDUCATION SERVICES		
Full-time equated classified positions 69.6		
Special education operations—69.6 FTE positions	$	11,477,300
GROSS APPROPRIATION	$	11,477,300
Appropriated from:		
Federal revenues:		
Federal revenues		11,139,700
Special revenue funds:		
Certification fees		35,200
State general fund/general purpose	$	302,400
Sec. 107. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE		
General services	$	1,749,000
GROSS APPROPRIATION	$	1,749,000
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from corrections academy lease		1,000,000
Special revenue funds:		
Gifts, bequests, and donations		10,000
Lansing, Michigan school for the blind rent		739,000
State general fund/general purpose	$	0

		For Fiscal Year Ending Sept. 30, 2003
Sec. 108. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND		
Full-time equated classified positions 96.0		
Michigan schools for the deaf and blind operations—95.0 FTE positions	$	9,422,000
Summer institute		90,000
Camp Tuhsmeheta—1.0 FTE position		250,100
Private gifts - blind		90,000
Private gifts - deaf		50,000
GROSS APPROPRIATION	$	9,902,100
Appropriated from:		
Federal revenues:		
Federal revenues		4,507,500
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		4,592,700
Local school district service fees		102,600
Gifts, bequests, and donations		494,200
Student insurance revenue		205,100
State general fund/general purpose	$	0
Sec. 109. PROFESSIONAL PREPARATION SERVICES		
Full-time equated classified positions 31.0		
Professional preparation operations—31.0 FTE positions	$	4,503,100
Department of attorney general		50,000
GROSS APPROPRIATION	$	4,553,100
Appropriated from:		
Federal revenues:		
Federal revenues		1,976,100
Special revenue funds:		
Certification fees		2,307,200
Teacher testing fees		269,800
State general fund/general purpose	$	0
Sec. 110. FIELD SERVICES		
Full-time equated classified positions 44.0		
Field services operations—44.0 FTE positions	$	5,279,200
GROSS APPROPRIATION	$	5,279,200
Appropriated from:		
Federal revenues:		
Federal revenues		4,873,500
State general fund/general purpose	$	405,700
Sec. 111. OFFICE OF SCHOOL EXCELLENCE		
Full-time equated classified positions 61.5		
School excellence operations—61.5 FTE positions	$	12,389,100
GROSS APPROPRIATION	$	12,389,100
Appropriated from:		
Federal revenues:		
Federal revenues		10,235,100
Private foundations		79,400
State general fund/general purpose	$	2,074,600
Sec. 112. GOVERNMENT SERVICES		
Full-time equated classified positions 13.0		
Government services operations—13.0 FTE positions	$	1,284,800
GROSS APPROPRIATION	$	1,284,800
Appropriated from:		
Federal revenues:		
Federal revenues		828,900
State general fund/general purpose	$	455,900
Sec. 113. SAFE SCHOOLS AND ADMINISTRATIVE LAW		
Full-time equated classified positions 11.5		
Safe schools operations—2.5 FTE positions	$	498,600

		For Fiscal Year Ending Sept. 30, 2003
Administrative law operations—9.0 FTE positions	$	852,700
State tenure commission per diem		11,100
GROSS APPROPRIATION	$	1,362,400
Appropriated from:		
Federal revenues:		
Federal revenues		562,100
Special revenue funds:		
State general fund/general purpose	$	800,300
Sec. 114. EDUCATION OPTIONS, CHARTERS, AND CHOICE		
Full-time equated classified positions 8.8		
Education options operations—8.8 FTE positions	$	1,412,700
GROSS APPROPRIATION	$	1,412,700
Appropriated from:		
Federal revenues:		
Federal revenues		986,600
State general fund/general purpose	$	426,100
Sec. 115. GRANTS AND DISTRIBUTIONS		
FEDERAL PROGRAMS:		
Class size reduction grants	$	50,275,700
Eisenhower mathematics and science grants		12,940,000
Goals 2000 grants		6,000,000
Technology literacy challenge grants		6,000,000
Urgent school renovation		45,688,400
STATE PROGRAMS:		
Christa McAuliffe grants	$	94,800
Driver education		7,600,000
Motorcycle safety education		1,200,000
National board certification		100,000
Off-road vehicle safety training grant		294,300
School breakfast programs		6,274,900
School readiness grants		11,050,000
GROSS APPROPRIATION	$	147,518,100
Appropriated from:		
Federal revenues:		
DED-OESE, class size reduction		50,275,700
DED-OESE, goals 2000		6,000,000
DED-OESE, Eisenhower mathematics and science administration		12,940,000
DED-OESE, technology literacy challenge fund		6,000,000
DED-OESE, urgent school renovation		45,688,400
Special revenue funds:		
Certification fees		100,000
Driver fees		7,600,000
Motorcycle license fees		1,200,000
Safety education fund		294,300
Private foundations		94,800
State general fund/general purpose	$	17,324,900
Sec. 116. EARLY RETIREMENT AND BUDGETARY SAVINGS		
Early retirement savings	$	(721,900)
Budgetary savings		(301,200)
GROSS APPROPRIATION	$	(1,023,100)
Appropriated from:		
State general fund/general purpose	$	(1,023,100)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

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 2002-2003 is $42,215,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is $16,436,800.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

GRANTS AND DISTRIBUTIONS
STATE PROGRAMS:

Driver education	$	7,600,000
School readiness grants		1,626,900
Motorcycle safety education		890,000
Off-road vehicle safety training grant		45,000
School lunch and breakfast		6,274,900
TOTAL	$	16,436,800

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 act:

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

(b) "Department" means the Michigan department of education.

(c) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

(d) "FTE" means full-time equated.

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) 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.

(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, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The department shall transmit all required reports by electronic mail to the chairpersons of the senate and house appropriations subcommittees on education and the house and senate fiscal agencies, including the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exceptions.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $20,000,000.00 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 $700,000.00 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 $250,000.00 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 $3,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. The department shall place reports on the Internet or Intranet site and shall transmit all required reports by electronic mail to the senate and house appropriations subcommittees on education, the house and senate fiscal agencies, and the state budget office.

Sec. 208. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

Sec. 209. The department shall provide the state budget director and the senate and house fiscal agencies with copies of the state board of education agenda and all supporting documents at the time the agenda and supporting documents are provided to state board of education members.

Sec. 210. Money in the school loan exception fee fund that is unexpended at the end of the fiscal year shall not revert to the general fund but shall be carried over to the succeeding fiscal year.

Sec. 211. (1) Upon receipt of the federal drug free grant, the department shall allocate $225,000.00 of the grant to the office for safe schools within the department. The office for safe schools shall work with local school boards, law enforcement agencies, community leaders, and the office of drug control policy for the prevention of school violence. The office for safe schools shall develop and implement, and serve as coordinator of, a statewide clearinghouse for information, program development, model programs and policies, and technical assistance on school violence prevention.

(2) To accomplish its functions under this section, the office for safe schools shall do all of the following:

(a) Evaluate the effectiveness of, and make recommendations to local school boards concerning, public school violence prevention programs, including, but not limited to, programs aimed at reducing the possession of weapons and the incidence of other violent behaviors on school campuses, violence prevention curricula, conflict resolution and peer mediation training, interagency cooperative referral and treatment programs, parental involvement programs, and school safety planning.

(b) In consultation with appropriate organizations, develop and distribute to school districts and public school academies a model code of conduct for pupils.

(c) Coordinate with the office of drug control policy in the department of community health to ensure that there is a meaningful linkage between the efforts under this act to provide safe schools and the initiatives undertaken through that office, including, but not limited to, school districts' safe and drug-free school plans, and to facilitate timely applications for and distribution of available grant money.

(d) Provide through the Internet the availability to and information regarding the state model policy on locker searches, the state model policy on firearm safety and awareness, and any other state or local safety policies that the office considers exemplary.

(e) From the funds appropriated in part 1 for safe schools operations, the department shall expend not more than $50,000.00 to advertise the toll-free antiviolence school hotline.

Sec. 212. The department shall require all public school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the local school board against the teacher or employee for sexual misconduct. The records shall not be destroyed or removed from the teacher's or employee's personnel file except as required by a court order.

Sec. 213. From the general funds appropriated in part 1 for special education services, the department shall provide funding for 2.0 special education auditors to audit school districts.

Sec. 214. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 215. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 216. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. The departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 217. 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. 218. 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. Preference should be given to goods and services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value.

Sec. 219. 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. 220. (1) The department of management and budget and each principal executive department and agency shall provide to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies a monthly report on all personal service contracts awarded without competitive bidding, pricing, or rate-setting. The notification shall include all of the following:

(a) The total dollar amount of the contract.

(b) The duration of the contract.

(c) The name of the vendor.

(d) The type of service to be provided.

(2) For personal service contracts of $100,000.00 or more, the department of management and budget shall provide a monthly report including all of the following:

(a) The total dollar amount of the contract.

(b) The duration of the contract.

(c) The name of the vendor.

(d) The type of service to be provided.

(3) The department of management and budget shall provide a monthly listing of all bid requests or requests for proposal that were issued.

(4) Each principal executive department and agency shall provide a monthly summary listing of information that identifies any authorization for personal service contracts that are provided to the department of civil service pursuant to delegated authority granted to each principal executive department and agency related to personal service contracts.

Sec. 221. From the funds appropriated in part 1, the department may establish a position of school health services consultant, to be filled by a certified school nurse or an individual with comparable education and experience.

Sec. 222. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69. Any position funded with 100% of federal or restricted funds is exempt from the early retirement replacement policy.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 223. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, $1,200,000.00 is appropriated to school readiness grants from the state general fund.

(2) The appropriation in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

STATE BOARD/OFFICE OF THE SUPERINTENDENT

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to members of boards, committees, and commissions for each day's board, committee, or commission work at which a quorum is present; for attending a hearing as authorized by the respective board, committee, or commission; or for performing official business as authorized by the respective board, committee, or commission. The per diem payments shall be at a rate as follows:

(a) State board of education - president	$ 110.00 per day
(b) State board of education - member other than president	$ 100.00 per day
(c) State tenure commission - member	$ 50.00 per day

(2) A state board of education member shall not be paid a per diem for more than 30 days per year.

(3) The administrative secretary of the state board of education shall report to the public, the senate and house fiscal agencies, and the state budget director the previous quarter's expenses by fund source for members of the state board of education related to the performance of their responsibilities.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than $35,000.00 shall be expended for travel.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Sec. 401. The employees at the Michigan schools for the deaf and blind who work on a school year basis shall be considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 402. For each student enrolled at the Michigan schools for the deaf and blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 403. (1) The department may assess rent to any state agency for the use of any facility at the Michigan school for the blind's former site in Lansing. The rental rates and all leasing arrangements shall be subject to the approval of the department of management and budget.

(2) In addition to those funds appropriated in part 1, the department may receive and expend additional funds from lease agreements at the Michigan school for the blind's former site in Lansing that have been negotiated with the approval of the department of management and budget. These funds are appropriated to the department for operation, maintenance, and renovation expenses associated with the leased space.

(3) The department shall not rent, lease, or declare as surplus property the superintendent's house on the Michigan school for the blind's former site without prior consent from the house and senate appropriations subcommittees on education. Amounts received under section 107 for general services may be expended by the department for operation, maintenance, and renovation expenses associated with the superintendent's house.

(4) Security guards or other patrols at the Michigan school for the blind's former site shall not be funded through section 108 funds appropriated for the Michigan schools for the deaf and blind.

(5) If the department leases real property to a person or organization that is not a department of state government, the department shall not expend funds in excess of the lease revenue received to replace, renovate, or repair that real property. This section shall not apply to emergency repairs or costs associated with technological renovations.

(6) The department shall not lease real property for less than fair market value.

(7) The unexpended balances of appropriations and any surplus restricted revenue for the former school for the blind site in Lansing shall not lapse to the state general fund at the end of the fiscal year. Any unexpended and unencumbered funds remaining on September 30, 2003 shall be carried forward as a work project or as restricted revenue and expended for special maintenance and repairs of facilities at the former Michigan school for the blind site in Lansing. The work project shall be performed by state employees or by contract when necessary at an estimated cost of $100,000.00. The estimated completion date of the work project is September 30, 2004.

Sec. 404. (1) The department may assess rent or lease excess property located on the campus of the Michigan schools for the deaf and blind in Flint to private or publicly funded organizations.

(2) In addition to those funds appropriated in part 1, the department may receive and expend additional funds from lease agreements at the Michigan schools for the deaf and blind Flint campus that have been negotiated with the approval of the department of management and budget. These funds are appropriated to the department for the operation, maintenance, and renovation expenses associated with the leased space.

(3) Proceeds from the sale of surplus property and facilities at the Michigan schools for the deaf and blind are appropriated for the purposes of repairs, renovations, and maintenance of the Flint campus.

(4) The unexpended balances of appropriations for school for deaf and blind operations, and from proceeds of the sale of surplus property and facilities at the Michigan schools for the deaf and blind shall not lapse to the state general fund at the end of the fiscal year. Any unexpended and unencumbered funds remaining on September 30, 2003, shall be carried forward as a work project or as restricted revenue and expended for special maintenance and repairs of facilities at the campus of the Michigan schools for the deaf and blind in Flint. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of $250,000.00. The estimated completion date of the work is September 30, 2004.

(5) The department shall request the department of civil service to conduct a review of all positions within the Michigan schools for the deaf and blind and consider any appropriate reclassifications.

Sec. 405. The department may assist the department of community health, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of community health for reimbursement.

Sec. 406. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

(2) Upon knowledge of or recognition by an intermediate school district that a child in the district is deaf or hard of hearing or blind or visually impaired, the intermediate school district shall provide to the parents of the child the literature distributed by the Michigan schools for the deaf and blind to intermediate school districts under subsection (1).

(3) It is the intent of the legislature that parents continue to have a choice regarding the educational placement of their deaf or hard of hearing children.

Sec. 407. In addition to those funds appropriated in part 1, the department may receive and expend funds from the mid-Michigan academy for capital improvements. The department shall report to the house and senate fiscal agencies on a quarterly basis any expenditures made under this section. These additional funds are appropriated specifically for capital improvements authorized by the department of management and budget and shall be negotiated as part of the lease agreement.

Sec. 408. The department shall report to the house and senate appropriations subcommittees on education detailed information on the expenditures made from the amount authorized in part 1 quarterly for general services for the Michigan school for the blind's former site.

Sec. 409. The department shall ensure that rental payments made by each tenant for space at the Michigan school for the blind former site are used for operation, maintenance, and renovation expenses associated with the leased space designated in the tenant's lease agreement.

PROFESSIONAL PREPARATION SERVICES

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

Sec. 503. (1) By February 15, 2003, the department shall provide the state budget director, house and senate appropriations subcommittees on education, and the senate and house fiscal agencies with an annual report on restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2002 and September 30, 2003.

(2) It is the intent of the legislature that the department annually review the teacher certification and the teacher testing fund balances and explore ways to minimize the costs to teachers and other educational professionals for services rendered by the department.

EDUCATION OPTIONS, CHARTERS, AND CHOICE

Sec. 601. (1) From the amount appropriated in part 1 for education options, charters, and choice, there is allocated $350,000.00 and 3.5 FTE positions to operate a charter school office to administer charter school legislation and associated regulations, and to coordinate the activities of the department relating to charter schools.

(2) If an audit finds that a public school district has significantly misrepresented its enrollment membership or financial data to the department, its funding shall be withheld and the public school district shall be required to reimburse the state any appropriations made as a result of the misrepresentations.

GRANTS AND DISTRIBUTIONS

Sec. 701. The department shall disburse the funds to a general fund grantee in accordance with the same standards of timing and amount that apply to disbursements made by the department to a federal fund grantee. The disbursement shall be restricted to the minimum amount needed for immediate disbursement by the grantee. The department may waive this section if extenuating circumstances warrant and are substantiated in the grantee's application or other appropriate documentation. A waiver granted pursuant to this section shall not be effective until 15 days after written notice of the proposed waiver is given to the state budget director and the chairpersons of the senate and house appropriations subcommittees having jurisdiction over the department budget.

Sec. 702. The funds appropriated in part 1 for school breakfast programs shall be made available to all eligible applicant public school districts as follows:

(a) The public school district participates in the federal school breakfast program and meets all standards as prescribed by 7 C.F.R. parts 220 and 245.

(b) Payment is made for each breakfast served meeting standards prescribed in subdivision (a).

(c) The payment for a public school district is at a per meal rate equal to the lesser of the district's actual cost, or 100% of the cost of a breakfast served by an efficiently operated breakfast program as determined by the department, less federal reimbursement, participant payments, and other state reimbursement. Determination of efficient cost by the department shall be determined by using a statistical sampling of statewide and regional cost as reported in a manner approved by the department for the preceding school year.

(d) The payment determined under subdivision (c) is prorated if the appropriation in part 1 is not sufficient to fund all payments determined under this section.

Sec. 703. (1) The funds appropriated in part 1 for school readiness programs shall be made available through a competitive application process as follows:

(a) An applicant may be any public or private nonprofit legal entity or agency other than a local or intermediate school district except a local or intermediate school district acting as a fiscal agent for a child caring organization regulated under 1973 PA 116, MCL 722.111 to 722.128.

(b) Applications shall be submitted in a form and manner as required by the department.

(c) Applications shall be reviewed by a diverse interagency committee composed of representatives of the department, appropriate community, volunteer, and social service agencies and organizations, and parents.

(d) Priority in the recommendation for awarding of grants by the state board of education to applicants shall be based upon the following criteria:

(*i*) Compliance with standards for early childhood development consistent with programs for 4-year-olds, as approved by the state board of education.

(*ii*) Active and continuous involvement of the parents or guardians of the children participating in the program.

(*iii*) Employment of teachers possessing proper training in early childhood development, including an early childhood (ZA) endorsement or child development associate, and trained support staff.

(*iv*) Evidence of collaboration with the community of providers in early childhood development programs including documentation of the total number of children in the community who would meet the criteria established in subparagraph (*vi*), and who are being served by other providers, and the number of children who will remain unserved by other community early childhood programs if this program is funded.

(*v*) The extent to which these funds will supplement other federal, state, local, or private funds.

(*vi*) The extent to which these funds will be targeted to children who will be at least 4, but less than 5, years of age as of December 1 of the year in which the programs are offered and who show evidence of 2 or more "at-risk" factors as defined in the state board of education report entitled, "children at risk" that was adopted by the state board on April 5, 1988.

(e) Whether the application contains a comprehensive evaluation plan that includes implementation of all program components required and an assessment of the gains of children participating in an early childhood development program.

(f) Applications shall provide for the establishment of a school readiness advisory committee that shall be involved in the planning and evaluation of the program and provides for the involvement of parents and appropriate community, volunteer, and social service agencies and organizations. There shall be on the committee at least 1 parent or guardian of a program participant for every 18 children enrolled in the program, with a minimum of 2 parent or guardian representatives. The committee shall do all of the following:

(*i*) Review the mechanisms and criteria used to determine referrals for participation in the school readiness program.
(*ii*) Review the health screening program for all participants.
(*iii*) Review the nutritional services provided to all participants.
(*iv*) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.
(*v*) Review the collaboration with and the involvement of appropriate community, volunteer, and social service agencies and organizations in addressing all aspects of education disadvantage.
(*vi*) Review, evaluate, and make recommendations for changes in the school readiness program.
(g) More than 50% of the children participating in the program shall meet the income eligibility criteria for free or reduced price lunch, as determined under the national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, and 1769 to 1769h, or meet income and all other eligibility criteria for participation in the Michigan family independence agency unified child day care program.
(2) Grant awards by the superintendent of public instruction may be at whatever level the superintendent determines appropriate. A grant, when combined with other sources of state revenue for this program, shall not exceed $3,300.00 per child or the cost of the program, whichever is less.
(3) Except as otherwise provided, an applicant that receives a 2002-2003 grant under this section shall also receive priority for fiscal years 2003-2004 and 2004-2005 funding. However, after 3 fiscal years of continuous funding, an applicant will be required to compete openly with new programs and other programs completing their third year. All grant awards are contingent on the availability of funds and documented evidence of grantee compliance with standards for early childhood development consistent with programs for 4-year-olds, as approved by the state board of education, and with all operational, fiscal, administrative, and other program requirements. A program which offers supplementary day care and thereby offers full-day programs as part of its early childhood development program shall receive priority in the allocation of competitive funds.
Sec. 704. From the funds appropriated in part 1 for national board certification, the department shall pay 1/2 of the application fee for teachers who are deemed by the department to be qualified to apply to the national board for professional teaching standards for professional teaching certificates or licenses and to provide grants to recognize and reward teachers who receive certification or licensure.
Sec. 706. The innovative program demonstration (IPD) grants established under 2000 PA 263 awarded grants to programs in areas of school safety, parental involvement, and curriculum development. No later than September 30, 2002, a district that received funding under the IPD program shall report to the department results achieved by each program. No later than November 29, 2002, the department shall compile the information from each grant recipient and forward a comprehensive report to the house and senate standing committees on education, the house and senate fiscal agencies, the state budget director, and the state board of education. This report shall be compiled in accordance with the requirements of 2000 PA 263. The reports shall be posted on the department’s website.
Sec. 708. Before expending funds for DED-OESE, title IV, part A, community service grants and DED-OESE, title IV, part B, 21st century community learning centers, the department shall provide an assurance to the United States department of education that the application was developed in consultation and coordination with appropriate state officials, including the chief state school officer, and other state agencies administering before and after school programs, the heads of the state health and mental health agencies or their designees, and representatives of teachers, parents, students, the business community, and community-based organizations.

INFORMATION TECHNOLOGY

Sec. 901. The department shall work in collaboration with the center for educational performance and information to support the comprehensive educational information system and all data collection efforts of the department.
Sec. 902. The department and the Michigan virtual university shall work collaboratively to implement section 98 of the state school aid act of 1979, 1979 PA 94, MCL 388.1698, in accordance with all applicable federal laws and regulations.
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 education and certain other purposes relating to education for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

Leon Stille
Loren Bennett
Conferees for the Senate

Ron Jelinek
Patricia Godchaux
Michael Switalski
Conferees for the House

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

Roll Call No. 754 **Yeas—22**

Bennett	Gast	McManus	Shugars
Bullard	Gougeon	North	Sikkema
DeGrow	Hammerstrom	Sanborn	Steil
Dunaskiss	Hoffman	Schuette	Stille
Emmons	Johnson	Schwarz	Van Regenmorter
Garcia	McCotter		

Nays—15

Byrum	Emerson	Leland	Scott
Cherry	Goschka	Miller	Smith
DeBeaussaert	Hart	Murphy	Young
Dingell	Koivisto	Peters	

Excused—1

Vaughn

Not Voting—0

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was not concurred in, 2/3 of the members serving not voting therefor.
Senator Emmons requested the yeas and nays.
The yeas and nays were ordered, 1/5 of the members present voting therefor.
The recommendation was concurred in, 2/3 of the members serving voting therefor, as follows:

Roll Call No. 755 **Yeas—36**

Bennett	Garcia	Leland	Schwarz
Byrum	Gast	McCotter	Scott
Cherry	Goschka	McManus	Shugars
DeBeaussaert	Gougeon	Miller	Sikkema
DeGrow	Hammerstrom	Murphy	Smith
Dingell	Hart	North	Steil
Dunaskiss	Hoffman	Peters	Stille
Emerson	Johnson	Sanborn	Van Regenmorter
Emmons	Koivisto	Schuette	Young

Nays—0

Excused—1

Vaughn

Not Voting—1

Bullard

In The Chair: Schwarz

Senator Bennett submitted the following:

FIRST CONFERENCE REPORT

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

Senate Bill No. 1104, entitled

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Reports that the conferees agree to disagree.

Loren Bennett
Harry Gast
Kenneth DeBeaussaert
Conferees for the Senate

David Mead
Charles LaSata
Rich Brown
Conferees for the House

By unanimous consent the Senate returned to consideration of the following bill:

Senate Bill No. 1106, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

(The conference report was received earlier today, rules suspended and consideration postponed. See p. 1592.)

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. 756 **Yeas—23**

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
DeGrow	Gougeon	North	Steil
Dunaskiss	Hammerstrom	Sanborn	Stille
Emmons	Johnson	Schuette	Van Regenmorter
Garcia	Koivisto	Schwarz	

Nays—14

Byrum	Emerson	Miller	Scott
Cherry	Hart	Murphy	Smith
DeBeaussaert	Hoffman	Peters	Young
Dingell	Leland		

Excused—1

Vaughn

Not Voting—0

In The Chair: Schwarz

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

By unanimous consent the Senate proceeded to the order of

General Orders

Senator Emmons moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.
The motion prevailed, and the President pro tempore, Senator Schwarz, designated Senator Byrum as Chairperson.
After some time spent therein, the Committee arose; and, the President pro tempore, Senator Schwarz, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:
House Bill No. 4147, entitled
A bill to amend 1947 PA 359, entitled "The charter township act," by amending section 31 (MCL 42.31).
The bill was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendments, the following bill:
House Bill No. 4599, entitled
A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding part 172.
The following are the amendments recommended by the Committee of the Whole:
1. Amend page 2, line 5, after "FOR" by inserting "EITHER OF THE FOLLOWING:
(A)".
2. Amend page 2, following line 7, by inserting:
"(B) PHARMACEUTICAL RESEARCH PURPOSES.".

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

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Emmons moved that the following bill, now on the order of General Orders, be referred to the Committee on Human Resources and Labor:
Senate Bill No. 644, entitled
A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending sections 41 and 42 (MCL 421.41 and 421.42) and by adding section 13*l*.
The motion prevailed.

Senator Emmons moved that a respectful message be sent to the House of Representatives requesting the return of the following bill:
Senate Bill No. 1232
The motion prevailed.

The following communication was received and read:
Office of the Senate Majority Leader

June 13, 2002

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the following conference committee:

House Bill 5083 Senator Bennett
Senator Stille
Senator Peters

Sincerely,
Dan L. DeGrow
Senate Majority Leader

The communication was referred to the Secretary for record.

The following communications were received:
Department of Consumer and Industry Services

May 17, 2002

Pursuant to Section 314 of P.A. 119 of 2001, we are enclosing a copy of the following reports:

Type of Report	Facility	Report #	License #
Special Investigation	Arbor Heights	2002C0207015	C1810200952
Special Investigation	Adrian Training School	2002C0207016	CS460200931

This report was performed in compliance with the requirements of P.A. 116 of 1973 as amended, and the Administrative Rules for Child Caring Institutions. The report may also be viewed on our web site at the following address: http://www.cis.state.mi.us/fast/leg_rep.htm.

If you have any questions regarding this information, please feel free to contact me at 373-3892.

June 5, 2002

Pursuant to Section 314 of P.A. 119 of 2001, we are enclosing a copy of the following report:

Type of Report	Facility	Report #	License #
Licensing Study Report	W.J. Maxey Boys Training School-Summit Center	2002C0201023	CS470201446

This report was performed in compliance with the requirements of P.A. 116 of 1973 as amended, and the Administrative Rules for Child Caring Institutions. The report may also be viewed on our web site at the following address: http://www.cis.state.mi.us/fast/leg_rep.htm.

If you have any questions regarding this information, please feel free to contact me at 373-3892.

Sincerely,
John R. Suckow, C.P.A.
Director, Finance and Administrative Services

The communications were referred to the Secretary for record.

The following communications were received:
Department of State

Administrative Rules
Notices of Filing

May 20, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:00 p.m. this date, administrative rule (02-05-03) for the Department of Environmental Quality, Air Quality Division, entitled *"Part 1. General Provisions,"* effective 7 days hereafter.

May 22, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:00 p.m. this date, administrative rule (02-05-04) for the Department of Environmental Quality, Drinking Water and Radiological Protection Division, entitled *"Supplying Water to the Public - Part 15. Operation Reports and Recordkeeping,"* effective 7 days hereafter.

May 22, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:02 p.m. this date, administrative rule (02-05-05) for the Department of Environmental Quality, Drinking Water and Radiological Protection Division, entitled *"Supplying Water to the Public - Part 1. General Provisions,"* effective 7 days hereafter.

May 22, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:04 p.m. this date, administrative rule (02-05-06) for the Department of Environmental Quality, Drinking Water and Radiological Protection Division, entitled *"Supplying Water to the Public - Part 7. Surveillance, Inspection and Monitoring,"* effective 7 days hereafter.

May 22, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:06 p.m. this date, administrative rule (02-05-07) for the Department of Environmental Quality, Drinking Water and Radiological Protection Division, entitled *"Supplying Water to the Public - Part 4. Public Notification and Public Education,"* effective 7 days hereafter.

May 22, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:08 p.m. this date, administrative rule (02-05-08) for the Department of Environmental Quality, Drinking Water and Radiological Protection Division, entitled *"Supplying Water to the Public - Part 6. State Drinking Water Standards and Analytical,"* effective 7 days hereafter.

May 29, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 1:30 p.m. this date, administrative rule (02-05-09) for the Department of Education, State Board of Education, entitled *"Special Education Programs and Services,"* effective 7 days hereafter.

June 10, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 11:30 a.m. this date, administrative rule (02-06-01) for the Department of Natural Resources, Wildlife Division, entitled *"Endangered and Threatened Species,"* effective 7 days hereafter.

Sincerely,
Candice S. Miller
Secretary of State
Elena L. Beasley, Manager
Office of the Great Seal

The communications were referred to the Secretary for record.

The following communications were received:
Office of the Auditor General

June 6, 2002

Enclosed is a copy of the following audit report and/or executive digest:

Performance Audit of the Uniform Services Bureau, Michigan Department of State Police, June 2002.

June 11, 2002

Enclosed is a copy of the following audit report and/or report summary:

Financial Audit, Including the Provisions of the Single Audit Act, of the Department of Military and Veterans Affairs, October 1, 1999 through September 30, 2001.

June 13, 2002

Enclosed is a copy of the following audit report and/or report summary:

Financial Audit, Including the Provisions of the Single Audit Act, of the Department of Corrections, October 1, 1999 through September 30, 2001.

June 14, 2002

Enclosed is a copy of the following audit report and/or report summary:

Performance Audit of the Office of Education Options, Department of Education, June 2002.

June 14, 2002

Enclosed is a copy of the following audit report and/or report summary:

Performance Audit of the Division of HIV/AIDS - STD, Community Public Health Agency, Department of Community Health, June 2002.

June 14, 2002

Enclosed is a copy of the following audit report and/or report summary:

Financial Audit, Including the Provisions of the Single Audit Act, of the Department of Natural Resources, October 1, 1999 through September 30, 2001.

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

The communications were referred to the Secretary for record.

The Secretary announced that pursuant to rule 2.109 of the Standing Rules of the Senate, the following expense reports have been filed with the Secretary of the Senate for the quarter from January 1, 2002 through March 31, 2002, and are available in the Secretary's office during business hours for public inspection:

Committee	**Chairperson**
Appropriations	Senator Harry Gast
Banking and Financial Institutions	Senator Valde Garcia
Detroit Metro Airport Review	Senator Glenn Steil
Economic Development, International Trade and Regulatory Affairs	Senator Bill Schuette
Education	Senator Loren Bennett
Families, Mental Health and Human Services	Senator Beverly Hammerstrom
Farming, Agribusiness and Food Systems	Senator George McManus
Finance	Senator Joanne Emmons
Financial Services	Senator Bill Bullard
Government Operations	Senator Thaddeus McCotter
Health Policy	Senator Dale Shugars
Human Resources and Labor	Senator Glenn Steil
Hunting, Fishing and Forestry	Senator Alan Sanborn
Judiciary	Senator William Van Regenmorter
Local, Urban and State Affairs	Senator Thaddeus McCotter
Natural Resources and Environmental Affairs	Senator Ken Sikkema
Reapportionment	Senator Bill Schuette
Senior Citizens and Veterans Affairs	Senator Mat Dunaskiss
Senior Citizens and Veterans Affairs	Senator Mike Goschka
Technology and Energy	Senator Mat Dunaskiss
Technology and Energy	Senator Ken Sikkema
Transportation and Tourism	Senator Bill Bullard
Appropriations Subcommittee on Career Development Strategic Fund Agency	Senator Shirley Johnson
Appropriations Subcommittee on Community Health	Senator Joel Gougeon
Appropriations Subcommittee on Department of Education	Senator Leon Stille
Appropriations Subcommittee on Family Independence Agency	Senator Mike Goschka
Appropriations Subcommittee on Higher Education	Senator John Schwarz
Appropriations Subcommittee on Retirement	Senator Joel Gougeon
Appropriations Subcommittee on School Aid	Senator Leon Stille

The Secretary announced that the following House bill was received in the Senate and filed on Thursday, June 6:

House Bill No. 6070

The Secretary announced the enrollment printing and presentation to the Governor on Friday, June 7, for his approval the following bills:

Enrolled Senate Bill No. 1124 at 4:48 p.m.
Enrolled Senate Bill No. 1248 at 4:50 p.m.

Enrolled Senate Bill No. 1269 at 4:52 p.m.
Enrolled Senate Bill No. 841 at 4:54 p.m.
Enrolled Senate Bill No. 1074 at 4:56 p.m.
Enrolled Senate Bill No. 415 at 4:58 p.m.
Enrolled Senate Bill No. 1265 at 5:00 p.m.
Enrolled Senate Bill No. 1313 at 5:02 p.m.
Enrolled Senate Bill No. 1300 at 5:04 p.m

The Secretary announced the enrollment printing and presentation to the Governor on Wednesday, June 12, for his approval the following bills:
Enrolled Senate Bill No. 1278 at 3:50 p.m.
Enrolled Senate Bill No. 927 at 3:52 p.m.
Enrolled Senate Bill No. 992 at 3:54 p.m.
Enrolled Senate Bill No. 928 at 3:56 p.m.
Enrolled Senate Bill No. 1230 at 3:58 p.m.
Enrolled Senate Bill No. 477 at 4:00 p.m.
Enrolled Senate Bill No. 1201 at 4:02 p.m.
Enrolled Senate Bill No. 112 at 4:04 p.m.
Enrolled Senate Bill No. 965 at 4:06 p.m.
Enrolled Senate Bill No. 1267 at 4:08 p.m.
Enrolled Senate Bill No. 217 at 4:10 p.m.
Enrolled Senate Bill No. 1301 at 4:12 p.m.

The Secretary announced the enrollment printing and presentation to the Governor on Friday, June 14, for his approval the following bills:
Enrolled Senate Bill No. 116 at 4:20 p.m.
Enrolled Senate Bill No. 425 at 4:22 p.m.
Enrolled Senate Bill No. 824 at 4:24 p.m.
Enrolled Senate Bill No. 929 at 4:26 p.m.

The Secretary announced the printing and placement in the members' files on Thursday, June 6, of:
Senate Bill No. 1374
House Bill Nos. 6167 6168 6169 6170 6171 6172 6173 6174 6175 6176 6177 6178 6179 6180
House Joint Resolution Y

The Secretary announced the printing and placement in the members' files on Friday, June 7, of:
Senate Bill No. 1375

The Secretary announced the printing and placement in the members' files on Thursday, June 13, of:
House Bill Nos. 6202 6203 6204 6205 6208

The Secretary announced the printing and placement in the members' files on Friday, June 14, of:
House Bill Nos. 6181 6182 6183 6184 6185 6186 6187 6188 6189 6190 6191 6192 6193 6194 6195 6196 6197 6198 6199 6200 6201 6206 6207
House Joint Resolution Z

By unanimous consent the Senate proceeded to the order of

Third Reading of Bills

Senator Emmons moved that the following bills be placed at the head of the Third Reading of Bills calendar:
House Bill No. 5805
House Bill No. 5365
House Bill No. 5806
House Bill No. 5804
House Bill No. 4237

House Bill No. 5383
House Bill No. 5396
The motion prevailed.

The following bill was read a third time:
House Bill No. 5805, entitled
A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending section 4 (MCL 125.2684), as amended by 2000 PA 259.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 757 **Yeas—36**

Bennett	Emmons	Koivisto	Schuette
Bullard	Garcia	Leland	Schwarz
Byrum	Gast	McCotter	Shugars
Cherry	Goschka	McManus	Sikkema
DeBeaussaert	Gougeon	Miller	Smith
DeGrow	Hammerstrom	Murphy	Steil
Dingell	Hart	North	Stille
Dunaskiss	Hoffman	Peters	Van Regenmorter
Emerson	Johnson	Sanborn	Young

Nays—0

Excused—1

Vaughn

Not Voting—1

Scott

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:
"An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials,".
The Senate agreed to the full title.

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

The following bill was read a third time:

House Bill No. 5365, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending sections 217 and 234 (MCL 257.217 and 257.234), section 217 as amended by 2000 PA 397 and section 234 as amended by 2000 PA 151.

The question being on the passage of the bill,

Senator Emerson offered the following substitute:

Substitute (S-2).

The substitute was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 758 **Yeas—36**

Bennett	Emmons	Koivisto	Schuette
Bullard	Garcia	Leland	Schwarz
Byrum	Gast	McCotter	Shugars
Cherry	Goschka	McManus	Sikkema
DeBeaussaert	Gougeon	Miller	Smith
DeGrow	Hammerstrom	Murphy	Steil
Dingell	Hart	North	Stille
Dunaskiss	Hoffman	Peters	Van Regenmorter
Emerson	Johnson	Sanborn	Young

Nays—0

Excused—2

Scott	Vaughn

Not Voting—0

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Senator Emerson offered to amend the title to read as follows:

A bill to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,” by amending sections 217, 234, and 717 (MCL 257.217, 257.234, and 257.717), section 217 as amended by 2000 PA 397, section 234 as amended by 2000 PA 151, and section 717 as amended by 2000 PA 7.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

The following bill was read a third time:

House Bill No. 5806, entitled

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending section 6 (MCL 125.2686), as amended by 2000 PA 259.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 759 **Yeas—36**

Bennett	Emmons	Koivisto	Schuette
Bullard	Garcia	Leland	Schwarz
Byrum	Gast	McCotter	Shugars
Cherry	Goschka	McManus	Sikkema
DeBeaussaert	Gougeon	Miller	Smith
DeGrow	Hammerstrom	Murphy	Steil
Dingell	Hart	North	Stille
Dunaskiss	Hoffman	Peters	Van Regenmorter
Emerson	Johnson	Sanborn	Young

Nays—0

Excused—2

Scott	Vaughn

Not Voting—0

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials,".

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5804, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 222 and 244 (MCL 257.222 and 257.244), section 222 as amended by 2000 PA 397 and section 244 as amended by 2000 PA 369, and by adding section 17c.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 760 **Yeas—36**

Bennett	Emmons	Koivisto	Schuette
Bullard	Garcia	Leland	Schwarz

Byrum	Gast	McCotter	Shugars
Cherry	Goschka	McManus	Sikkema
DeBeaussaert	Gougeon	Miller	Smith
DeGrow	Hammerstrom	Murphy	Steil
Dingell	Hart	North	Stille
Dunaskiss	Hoffman	Peters	Van Regenmorter
Emerson	Johnson	Sanborn	Young

Nays—0

Excused—2

Scott	Vaughn

Not Voting—0

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,".

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 4237, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1531d.

The question being on the passage of the bill,

Senator Emmons moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

Senator Scott entered the Senate Chamber.

The following bill was read a third time:

House Bill No. 5383, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending sections 1b, 10c, 10h, 11, 11c, 12, 18b, 18e, and 20a (MCL 247.651b, 247.660c, 247.660h, 247.661, 247.661c, 247.662, 247.668b, 247.668e, and 247.670a), section 1b as amended by 1989 PA 188, section 10c as amended by 1990 PA 73, section 10h as amended by 1982 PA 438, section 11 as amended by 2000 PA 188, sections 11c and 12 as amended by 1997 PA 79, and sections 18b and 18e as amended by 1985 PA 201.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 761 **Yeas—37**

Bennett	Garcia	Leland	Schwarz
Bullard	Gast	McCotter	Scott
Byrum	Goschka	McManus	Shugars
Cherry	Gougeon	Miller	Sikkema
DeBeaussaert	Hammerstrom	Murphy	Smith
DeGrow	Hart	North	Steil
Dingell	Hoffman	Peters	Stille
Dunaskiss	Johnson	Sanborn	Van Regenmorter
Emerson	Koivisto	Schuette	Young
Emmons			

Nays—0

Excused—1

Vaughn

Not Voting—0

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5396, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 9a (MCL 247.659a), as amended by 1998 PA 308.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 762 **Yeas—25**

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

Nays—12

Byrum	Dingell	Miller	Scott
Cherry	Emerson	Murphy	Smith
DeBeaussaert	Hart	Peters	Young

Excused—1

Vaughn

Not Voting—0

In The Chair: Schwarz

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

By unanimous consent the Senate returned to the order of

Conference Reports

Senator Emmons moved that joint rule 9 be suspended to permit immediate consideration of the conference report relative to the following bill:

House Bill No. 5645

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

House Bill No. 5645, 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, 2003; 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. 5645, 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, 2003; 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 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 family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2003; 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 PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30, 2003, 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 12,495.1		
Full-time equated unclassified positions 6.0		
Total full-time equated positions 12,501.1		
GROSS APPROPRIATION	$	4,071,412,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	$	978,800
ADJUSTED GROSS APPROPRIATION	$	4,070,434,100
Federal revenues:		
Total federal revenues		2,754,816,050
Special revenue funds:		
Total private revenues		9,856,850

		For Fiscal Year Ending Sept. 30, 2003
Total local revenues	$	67,150,000
Total other state restricted revenues		65,388,800
State general fund/general purpose	$	1,173,222,400
Sec. 102. EXECUTIVE OPERATIONS		
Total full-time equated positions 589.8		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 583.8		
Unclassified salaries—6.0 FTE positions	$	505,800
Salaries and wages—432.8 FTE positions		22,720,100
Contractual services, supplies, and materials		8,293,300
Demonstration projects—13.0 FTE positions		8,938,100
Child support distribution computer system—8.0 FTE positions		17,155,600
Supplemental security income advocates, salaries and wages—16.0 FTE positions		1,050,800
Commission on disability concerns—8.0 FTE positions		956,900
Commission for the blind—106.0 FTE positions		18,036,300
Youth low vision program		260,000
GROSS APPROPRIATION	$	77,916,900
Appropriated from:		
Interdepartmental grant revenues:		
ADJUSTED GROSS APPROPRIATION	$	77,916,900
Appropriated from:		
Federal revenues:		
Total federal revenues		51,097,800
Special revenue funds:		
Total private revenues		1,340,000
Total local revenues		275,000
Total other state restricted revenues		477,300
State general fund/general purpose	$	24,726,800
Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION		
Full-time equated classified positions 437.5		
Salaries and wages—301.5 FTE positions	$	15,181,000
Contractual services, supplies, and materials		19,198,500
Child support incentive payments		32,409,600
Legal support contracts		135,896,400
Employment and training support services		14,851,700
Project Zero—84.0 FTE positions		12,132,500
Wage employment verification reporting—2.0 FTE positions		2,170,200
Urban and rural empowerment/enterprise zones		100
Training and staff development—50.0 FTE positions		9,881,200
Community services block grants		24,350,000
GROSS APPROPRIATION	$	266,071,200
Appropriated from:		
Interdepartmental grant revenues:		
ADJUSTED GROSS APPROPRIATION	$	266,071,200
Appropriated from:		
Federal revenues:		
Total federal revenues		244,534,200
Special revenue funds:		
Total local revenues		340,000
State general fund/general purpose	$	21,197,000
Sec. 104. CHILD AND FAMILY SERVICES		
Full-time equated classified positions 105.3		
Salaries and wages—45.3 FTE positions	$	2,836,800
Contractual services, supplies, and materials		1,657,500
Refugee assistance program—4.0 FTE positions		12,705,900
Foster care payments		151,378,900

		For Fiscal Year Ending Sept. 30, 2003
Wayne County foster care payments	$	96,412,500
Adoption subsidies		204,952,800
Adoption support services—9.0 FTE positions		14,600,400
Youth in transition—10.0 FTE positions		13,353,500
Interstate compact		300,000
Children's benefit fund donations		21,000
Domestic violence prevention and treatment—6.0 FTE positions		13,149,000
Teenage parent counseling—4.0 FTE positions		4,426,700
Family preservation and prevention services—20.0 FTE positions		77,754,500
Black child and family institute		100,000
Rape prevention and services		2,600,000
Children's trust fund administration—7.0 FTE positions		495,000
Children's trust fund grants		3,615,000
Attorney general contract		2,481,000
Guardian contract		600,000
Prosecuting attorney contracts		1,061,700
GROSS APPROPRIATION	$	604,502,200
Appropriated from:		
Interdepartmental grant revenues:		
ADJUSTED GROSS APPROPRIATION	$	604,502,200
Appropriated from:		
Federal revenues:		
Total federal revenues		361,892,500
Special revenue funds:		
Private - children's benefit fund donations		21,000
Private - collections		5,054,600
Local funds - county payback		35,111,300
Children's trust fund		3,306,900
State general fund/general purpose	$	199,115,900
Sec. 105. JUVENILE JUSTICE SERVICES		
Full-time equated classified positions 960.1		
Child care fund	$	139,500,000
Child care fund administration—7.5 FTE positions		884,000
Juvenile justice operations—932.6 FTE positions		82,215,700
Federally funded activities—12.0 FTE positions		1,865,200
W.J. Maxey memorial fund		45,000
Juvenile accountability incentive block grant—4.0 FTE positions		8,436,200
Juvenile boot camp program		1,600,000
Committee on juvenile justice administration—4.0 FTE positions		464,800
Committee on juvenile justice grants		5,000,000
GROSS APPROPRIATION	$	240,010,900
Appropriated from:		
Federal revenues:		
Total federal revenues		35,553,500
Special revenue funds:		
Total private revenues		645,000
Local funds - county payback		30,668,600
State general fund/general purpose	$	173,143,800
Sec. 106. LOCAL OFFICE STAFF AND OPERATIONS		
Full-time equated classified positions 9,778.4		
Field staff, salaries and wages—9,627.9 FTE positions	$	401,875,600
Contractual services, supplies, and materials		27,936,400
Outstationed eligibility workers—60.0 FTE positions		5,392,500
Food stamp reinvestment		5,700,000
Wayne County gifts and bequests		100,000
Volunteer services and reimbursement—90.5 FTE positions		7,455,300
GROSS APPROPRIATION	$	448,459,800

		For Fiscal Year Ending Sept. 30, 2003
Appropriated from:		
Federal revenues:		
Total federal revenues	$	283,245,050
Special revenue funds:		
Local funds - donated funds		193,100
Private funds - Wayne County gifts		100,000
Private funds - hospital contributions		2,696,250
State general fund/general purpose	$	162,225,400
Sec. 107. DISABILITY DETERMINATION SERVICES		
Full-time equated classified positions 620.0		
Disability determination operations—594.0 FTE positions	$	69,460,300
Medical consultation program—21.0 FTE positions		3,083,700
Retirement disability determination—5.0 FTE positions		828,800
GROSS APPROPRIATION	$	73,372,800
Appropriated from:		
Interdepartmental grant revenues:		
Department of management and budget - office of retirement systems		828,800
ADJUSTED GROSS APPROPRIATION	$	72,544,000
Federal revenues:		
Total federal revenues		69,466,000
State general fund/general purpose	$	3,078,000
Sec. 108. CENTRAL SUPPORT ACCOUNTS		
Rent	$	45,802,900
Occupancy charge		11,399,300
Grand tower facility reimbursement		2,150,000
Travel		7,189,100
Equipment		1,087,400
Worker's compensation		5,391,600
Advisory commissions		17,900
Payroll taxes and fringe benefits		179,687,900
GROSS APPROPRIATION	$	252,726,100
Appropriated from:		
Federal revenues:		
Total federal revenues		161,702,800
Special revenue funds:		
Local funds - county payback		304,400
State general fund/general purpose	$	90,718,900
Sec. 109. PUBLIC ASSISTANCE		
Full-time equated classified positions 10.0		
Family independence program	$	376,339,600
Transitional work support		5,000,000
State disability assistance payments		22,139,900
Food assistance program benefits		833,011,200
State supplementation		59,038,000
State supplementation administration		2,624,300
Homestead property tax credit for low-income families		50,000,000
Low-income energy assistance program—10.0 FTE positions		86,003,600
State emergency relief		45,187,100
Weatherization assistance		10,900,000
Day care services		466,910,000
GROSS APPROPRIATION	$	1,957,153,700
Appropriated from:		
Interdepartmental grant revenues:		
ADJUSTED GROSS APPROPRIATION	$	1,957,153,700
Appropriated from:		
Federal revenues:		
Total federal revenues		1,422,469,900

		For Fiscal Year Ending Sept. 30, 2003
Special revenue funds:		
Child support collections	$	48,149,300
Supplemental security income recoveries		5,104,800
Public assistance recoupment revenue		2,300,000
State general fund/general purpose	$	479,129,700
Sec. 110. INFORMATION TECHNOLOGY		
Information technology services and projects	$	60,494,400
Child support automation		90,571,000
Client services system		12,721,200
Data system enhancement		22,040,900
GROSS APPROPRIATION	$	185,827,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG from ADP		150,000
ADJUSTED GROSS APPROPRIATION	$	185,677,500
Appropriated from:		
Federal revenues:		
Total federal revenues		124,854,300
Local funds		257,600
Total private revenues		0
Total other state restricted revenues		6,050,500
State general fund/general purpose	$	54,515,100
Sec. 111. EARLY RETIREMENT AND BUDGETARY SAVINGS		
Early retirement savings	$	(21,301,700)
Budgetary savings		(8,726,500)
Administrative budgetary savings		(4,600,000)
GROSS APPROPRIATION	$	(34,628,200)
Appropriated from:		
Interdepartmental grant revenues:		
ADJUSTED GROSS APPROPRIATION	$	(34,628,200)
Appropriated from:		
Federal revenues:		
Total federal revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(34,628,200)

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 2002-2003 is $1,238,611,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is $207,056,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY		
CHILD AND FAMILY SERVICES		
Adoption subsidies	$	79,224,300
JUVENILE JUSTICE SERVICES		
Child care fund.		123,700,000
County juvenile officers		2,973,200
PUBLIC ASSISTANCE		
State disability program.		1,158,700
TOTAL	$	207,056,200

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 act:

(a) “ADP” means automated data processing.

(b) “Department” means the family independence agency.

(c) "DMB" means the department of management and budget.

(d) "FTE" means full-time equated.

(e) "IDG" means interdepartmental grant.

(f) "Temporary assistance for needy families" or "TANF" or "Title IV-A" means part A of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 604, 605 to 608, and 609 to 619.

(g) "Title IV-D" means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 660, and 663 to 669b.

(h) "Title IV-E" means part E of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 670 to 673, 673b to 679, and 679b.

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) 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 one position to another within a department.

(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, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $200,000,000.00 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 $5,000,000.00 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 $20,000,000.00 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. Unless otherwise specified, the department shall use 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 an Intranet site. On an annual basis, the department shall provide a cumulative listing of the reports to the house and senate appropriations subcommittees, house and senate fiscal agencies, and policy offices.

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. The department may receive and expend advances or reimbursements from the department of state police for the administration of the individual and family grant disaster assistance program. An account shall be established in the department for this purpose when a disaster is declared. The authorization and allotment for the account shall be in the amount advanced or reimbursed from the department of state police.

Sec. 212. 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 or current year revenues that are in excess of the authorized amount.

Sec. 213. (1) The department may retain all of the state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the executive operations appropriation unit.

(2) The department shall report to the legislature during the senate and house budget hearings on the status of the food stamp error rate. The report shall include at least all of the following:

(a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.

(b) Review of the status of training for employees who administer the food assistance program.

(c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.

(d) Information detailing the effect and change in staffing due to the early retirement option.

(e) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.

(f) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget and to the senate and house fiscal agencies on the details of allocations within program budgeting line items and within the salaries and wages line items in the field services appropriation unit. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2003.

(2) On a bimonthly basis, the department shall report on the number of FTEs in pay status by type of staff.

Sec. 215. If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies of that fact. Upon receipt of the notification, a joint house and senate committee made up of the members of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency may be appointed to meet with the director of the department to review the substantive, procedural, and legal ramifications of the legislative objective and to develop a plan to attain that legislative objective.

Sec. 218. (1) The department shall prepare a semiannual report on the temporary assistance for needy families (TANF) federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies, and policy offices on or before January 15, 2003 and May 15, 2003.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the family independence agency and to the house and senate fiscal agencies of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated.

Sec. 220. (1) In contracting with faith-based organizations for mentoring or supportive services, and in all contracts for services, the department shall ensure that no funds provided directly to institutions or organizations to provide services and administer programs shall be used or expended for any sectarian activity, including sectarian worship, instruction, or proselytization.

(2) If an individual requests the service and has an objection to the religious character of the institution or organization from which the individual receives or would receive services or assistance, the department shall provide the individual within a reasonable time after the date of the objection with assistance or services and which are substantially the same as the service the individual would have received from the organization.

(3) Notwithstanding subsections (1) and (2), the department shall cooperate with faith-based organizations so that they are able to compete on the same basis as any other private organization for contracts to provide services to recipients of department services, including, but not limited to, mentoring or supportive services. The department shall not discriminate against an organization that applies to become a contractor on the basis that the organization has a religious character.

(4) The department shall follow guidelines related to faith-based involvement established in section 104 of title I of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 42 U.S.C. 604a.

Sec. 221. If the revenue collected by the department from private and local sources exceeds the amount appropriated in part 1, the revenue may be carried forward, with approval from the state budget director, into the subsequent fiscal year.

Sec. 223. (1) The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant when disability is an eligibility factor. For all other Medicaid applicants, the department shall make a determination of Medicaid eligibility not later than 45 days after all information to make the determination is received from the applicant.

(2) The family independence agency shall analyze the efficacy of centralized monthly processing of Medicaid spend-down paperwork for clients whose monthly income amount is stable. The department shall present the findings of the analysis to the senate and house appropriations subcommittees on the family independence agency, during budget deliberations, and distribute the findings to the senate and house standing committees on human services matters, senate and house fiscal agencies, and policy offices.

Sec. 227. The family independence agency, with the approval of the state budget director, is authorized to realign sources of financing authorizations in order to maximize temporary assistance for needy families' maintenance of effort countable expenditures. This realignment of financing shall not be made until 15 days after notifying the chairs of the house and senate appropriations subcommittees on the family independence agency and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

Sec. 259. (1) From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology related services and projects. User fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

(2) By October 15, 2002, the family independence agency shall report on the interagency agreement with the department of information technology to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices. The report shall include the base service priorities in the agreement including, but not limited to, the following:

(a) Name and description of base service.

(b) Detail goals and objectives related to each base service.

(c) Cost of each base service.

(d) Time frame for implementation or completion of base service.

(3) Individual projects within the interagency agreement with a cost of $500,000.00 or greater must be reported to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices.

(4) As used in this section, "base services" means all services to be supplied by the department of information technology that are to be purchased by the family independence agency under the provisions of the interagency agreement.

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. The department shall consult with the house and senate appropriations subcommittees on the family independence agency regarding the planned restructuring of local offices in response to 2002 PA 93. Issues to be covered shall include service delivery structure, facility needs, and administrative support. The director of the department may organize 2 or more counties into a single administrative unit for the purpose of administrative efficiency. Any plan presented shall ensure that the department provides a presence and services in every county.

Sec. 263. The department shall replace all foster care workers and child protection services workers who take an early retirement on a 1-to-1 ratio.

Sec. 264. Provided that an employee does not violate federal or state laws, breach confidentiality, violate civil service rules, or represent a formal department position without prior written authorization, the family independence agency shall ensure that all department employees, while on their personal time, are permitted to have appropriate communications with legislators and their staff.

Sec. 265. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 268. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

(a) $600,000.00 is appropriated to multicultural assimilation programs from the state general fund.

(b) $4,600,000.00 is appropriated to administrative budgetary savings from the state general fund.

(2) The appropriations in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

(3) Appropriation authorization adjustments required due to negative appropriations for administrative budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

EXECUTIVE OPERATIONS

Sec. 301. (1) The department may distribute cash assistance to recipients electronically by using debit cards.

(2) The department shall appropriate up to $4,300,000.00 for the annual school clothing allowance. The allowance shall be granted to all eligible children 4 to 18 years of age. The department shall encourage all recipients of the annual school clothing allowance to consider using that allowance at consignment stores or other stores that provide discounts to program recipients.

Sec. 302. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2002.

Sec. 303. The appropriation in part 1 for commissions and boards may be used for per diem payments to members of commissions or boards for a full day of committee work at which a quorum is present for performing official business as authorized by each respective commission or board. The per diem payment for the Michigan commission for the blind shall be at a rate of $50.00 per day.

FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Sec. 401. (1) From the federal money received for child support incentive payments, up to $10,415,700.00 shall be retained by the state and expended for legal support contracts and child support program expenses.

(2) In addition to the amount retained in subsection (1), additional incentives may be retained and used by the state for special, enhanced, or centralized initiatives or services that are reasonably calculated by the department, in consultation with the state court administrative office and the state budget office, to result in an equivalent or greater increase in child support collections or child support incentive payments received from the federal government. If payment from the federal government for collection performance incentives exceeds the amount received by the state for the fiscal year 2000, the amount in excess for the fiscal year 2000 payment shall be apportioned to the counties and the state in the same proportion as the base amount.

(3) At the end of the current fiscal year, the department may, when it is cost beneficial to the state and counties, withhold from submitting to the federal office of child support administrative expenses eligible for federal financial participation. The department may recoup earned but unclaimed federal funds from the resulting increased federal child support incentive. The recoupment by the department shall be made prior to distribution of the increased incentive to the counties. Any incentive funds retained by the state under this section shall be separate and apart from incentive funds retained in any other section of this act.

(4) A county shall not be penalized due to the failure to comply with federal child support enforcement system requirements if the department determines that all of the following conditions are met:

(a) The county, friend of the court, and the department have a written agreement that outlines the county's commitment to participate in the system.

(b) The county and the friend of the court are fully and timely cooperating with the work plan outlined in the child support enforcement memorandum of understanding between the department and the county.

(c) The county and the friend of the court are implementing the child support enforcement system required for federal certification.

(d) The friend of the court and county prosecuting attorney's office use the statewide system upon availability to monitor and process title IV-D cases.

(5) In addition to the amount specified in subsection (1), the family independence agency may retain any federal title IV-D incentive payment revenues withheld from counties pursuant to the imposition of financial penalties, and may use the federal revenues retained for any child support program purpose.

Sec. 403. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 404. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2002, and the plan shall be delivered to the appropriations subcommittees on the family independence agency in the house and senate.

Sec. 407. From the funds appropriated in part 1 for family preservation and prevention services, the family independence agency shall contract with Created for Caring for $150,000.00 in TANF funds allowable services. The department is authorized to make allocations of TANF funds only to the agency if that agency reports 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 part 1 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. (1) In addition to the funds appropriated in part 1, there is hereby appropriated up to $28,785,700.00. This appropriation is contingent upon the receipt of a refund from the federal government related to penalties previously imposed for the child support enforcement system and upon certification from the state budget director that the funds are available for expenditure. Of this amount, up to: $2,700,000.00 may be used to continue before- or after-school programs; $8,785,700.00 may be used for the child support enforcement system; $4,300,000.00 may be used for the family independence program school clothing allowance; $650,000.00 may be used to supplement community services block grant funding for community action agencies; $500,000.00 may be used to support a fatherhood initiative; $4,300,000.00 may be used for family independence program caseload, state disability assistance, and child care fund costs; $250,000.00 may be used to fund the food bank council; $50,000.00 may be used to support the Michigan marriage and fatherhood commission; $3,000,000.00 may be used to fund the transitional work support program; $150,000.00 may be used for the northern Michigan Miracle Manor, an addiction treatment and rehabilitation services program for homeless women with dependent children; $250,000.00 may be used for establishment or enhancement of domestic violence supervised parenting time centers; $150,000.00 may be used for 3 emergency homeless shelter case management pilot programs; $100,000.00 may be used for a Medicaid spend-down analysis; $600,000.00 may be used for multicultural assimilation programs; and $3,000,000.00 may be used for contracts, services, supplies, and materials.

(2) The funds appropriated in subsection (1) shall be considered 1-time authority.

Sec. 414. (1) Of the funds appropriated in part 1 for community services block grants, $2,350,000.00 represents TANF funding earmarked for community action agencies.

(2) From the funds appropriated in part 1 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.

Sec. 415. (1) From the funds appropriated in part 1 for employment and training support services, the family independence agency shall expend up to $500,000.00 in TANF to fund a fatherhood initiative. The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support. Program components may include, but are not limited to, parental guidance, infant care, food preparation, effective communication, anger management, children's financial support, respect, drug-free lifestyle, and referrals to employment services.

(2) The providers will measure outcomes as agreed upon by the department and based on required TANF reporting guidelines.

(3) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to 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. 416. (1) From the funds appropriated in part 1 for employment and training support services, the family independence agency may expend up to $250,000.00 in TANF to fund a marriage initiative. The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(2) The providers will measure outcomes as agreed upon by the department and based on required TANF reporting guidelines.

(3) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to 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 department shall choose only providers who are licensed through the department of consumer and industry services and who meet the standards of the public health code, 1978 PA 368, MCL 333.1101 to 333.25211.

CHILD AND FAMILY SERVICES

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2003, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care.

Sec. 502. From the funds appropriated in part 1 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. The department shall continue adoption subsidy payments to families after the eighteenth birthday of an adoptee who meets the following criteria:

(a) Has not yet graduated from high school or passed a high school equivalency examination.

(b) Is making progress toward completing high school.

(c) Has not yet reached his or her twenty-first birthday.

Sec. 504. The department's ability to satisfy appropriation deducts in part 1 for foster care private collections shall not be limited to collections and accruals pertaining to services provided only in the current fiscal year but shall include revenues collected during the fiscal year in excess of the amount specified in part 1.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure in an amount not to exceed $800,000.00.

(2) The state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The department may invoice the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by part 1.

(3) From the funds appropriated in part 1 for children's trust fund, the department may utilize interest and investment revenue from the current fiscal year only for programs, administration, services, or all sanctioned by the child abuse and neglect prevention board.

Sec. 509. (1) From the funds appropriated in part 1, the department shall not expend funds to preserve or reunite a family, unless there is a court order requiring the preservation or reuniting of the family or the court denies the petition, if either of the following would result:

(a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.

(b) A child would be living in the same household with a parent or other adult against whom there is a substantiated charge of sexual abuse against a child.

(2) Notwithstanding subsection (1), this section shall not prohibit counseling or other services provided by the department, if the service is not directed toward influencing the child to remain in an abusive environment, justifying the actions of the abuser, or reuniting the family.

Sec. 510. The department shall not be required to put up for bids contracts with service providers if currently only 1 provider in the service area exists.

Sec. 512. From the funds appropriated in part 1 for foster care payments, the department may expend up to $1,500,000.00 for foster care pilot projects that include ways to increase foster parent recruitment, improve foster parent retention, and increase delivery of training and supportive services to foster parents.

Sec. 513. The department shall not expend funds appropriated in part 1 to pay for the placement of a child in an out-of-state facility unless all of the following conditions are met:

(a) There is no appropriate placement available in this state.

(b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.

(c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.

(d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices, by January 1, 2003, that shall include all of the following:

(a) Statistical information including, at a minimum, all of the following:

(*i*) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(*ii*) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity.

(*iii*) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

(b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period.

Sec. 515. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may implement the federally approved title IV-E child welfare waiver managed care demonstration project.

Sec. 517. (1) From the funds appropriated in part 1 for family preservation and prevention services, the department is authorized to allocate funds to multipurpose collaborative bodies to address issues raised in the Binsfeld children's commission report issued in July 1996. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) From the funds appropriated in part 1 for family preservation and prevention services, up to $4,000,000.00 may be used to fund community-based collaborative prevention services designed to do any of the following:

(a) Foster positive parenting skills especially for parents of children under 3 years of age.

(b) Improve parent/child interaction.

(c) Promote access to needed community services.

(d) Increase local capacity to serve families at risk.

(e) Improve school readiness.

(f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's pre-application materials for fiscal year 2002-2003 direct services grants.

(4) Projects funded through the appropriation provided for in subsection (2) shall meet all of the following criteria:

(a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.

(b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.

(c) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the local multipurpose collaborative body.

(d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

(5) As used in this section, "state human services directors" means the director of the department of community health, the director of the department of education, and the director of the family independence agency.

Sec. 518. (1) The funds appropriated in part 1 for family preservation and prevention services in the 2002-2003 fiscal year reflect strong families/safe children allocations to local multipurpose collaborative bodies that are no less than the allocations in effect on April 1, 1997. The department shall work with the multipurpose collaborative bodies to address high out-of-home placement rates and through collaboration arrange a reward plan, penalty plan, or both, to achieve less child out-of-home placements, including placements for adjudicated youth in residential treatment programs.

(2) In order to maintain this level of funding, the department may use up to $8,000,000.00 in TANF funds provided that the local multipurpose collaborative bodies submit data to the department that will enable the department to document potential federal claimable expenditures.

(3) No later than March 1, 2003, each local multipurpose collaborative body shall submit a report to the department that includes the number of people receiving strong families/safe children services, including services to adjudicated youth and their families, the local goals for this program, and a measure of the effectiveness in meeting these goals.

(4) The department shall provide during budget deliberation hearings the compilation of reports from the multipurpose collaborative bodies outlined in subsection (3).

Sec. 519. From the funds appropriated in part 1 for foster care payments, Wayne County foster care payments, and adoption support services, the department shall increase the rate of payments for child placing agencies and residential treatment facilities by 1% effective April 1, 2003. The rate increase may be used to support foster and adoptive parent resource centers.

Sec. 520. It is the intent of the legislature that the funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2003, reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence agency program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

Sec. 523. (1) From the funds appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, 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.

(2) The agencies receiving teenage parent counseling TANF funds shall report to the family independence agency on both of the following:

(a) Whether program services have impacted the following issues areas:

(*i*) The number of teen participants having fewer repeat pregnancies.

(*ii*) The completion rate for high school diplomas or GEDs.

(*iii*) The teen participants' rate of self-sufficiency.

(b) How many teens participate in the programs and have access to any or all of the following services:

(*i*) Adult supervised, supportive living arrangements.

(*ii*) Pregnancy prevention services or referrals.

(*iii*) Required completion of high school or receipt of GED, including child care to assist young mothers to focus on achievement.

(*iv*) Support services, including, but not limited to, health care, transportation, and counseling.

(*v*) Parenting and life-skills training.

(*vi*) Education, job training, and employment services.

(*vii*) Transition services in order to achieve self-sufficiency.

(*viii*) Instruction on self-protection.

Sec. 524. The department shall submit to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees having jurisdiction over human services matters, the senate and house fiscal agencies, and the senate and house policy offices an annual report, beginning April 2, 2002, detailing the status of the prevention services program.

Sec. 530. Of funds available for foster care recruitment pilots, the department shall develop and implement foster parent recruitment and retention programs. The programs shall focus on diversity of foster parents, and recruitment of homes appropriate for teens and other high-risk placements. The programs should draw from models including, but not limited to, one church one child, foster home mentoring, neighborhood-based recruitment, and multimedia outreach.

Sec. 531. (1) From the funds appropriated in part 1, the family independence agency may make claims for and pay to local units of government a portion of federal title IV-E revenues earned as a result of eligible costs incurred by local units of government.

(2) The family independence agency shall make payments under subsection (1) only to local units of government which have entered into formal agreements with the family independence agency. Such agreement must include all of the following:

(a) Provide for the family independence agency to retain 50% of the federal revenues earned.

(b) Provide for agency review and approval of the local unit's plan for allocating costs to title IV-E.

(c) Provide for the local unit of government to submit bills at times, and in the format, specified by the family independence agency.

(d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.

(e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit which may subsequently be disallowed by the federal government.

(f) Be signed by the director of the department, the chief executive officer of the local government agency providing the title IV-E services, the chair of the county board of commissioners, and the chief executive officer of the county.

Sec. 532. The family independence agency, in collaboration with the department of consumer and industry services and representatives of the Michigan federation of private child and family agencies, shall review policies, practices, and procedures involving the annual licensing review conducted by the department of consumer and industry services and the annual contract compliance review conducted by the department regarding child placing agencies and child caring institutions. The review shall include efforts to identify duplication of staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report on its findings, conclusions, and any actions taken to ensure the maximum feasible coordination and efficiency in conducting these reviews. The report shall be presented to the senate and house appropriations subcommittees on the family independence agency and the department of consumer and industry services, the senate and house fiscal agencies, and the senate and house policy offices by April 1, 2003.

Sec. 533. The family independence agency shall make payments to private nonprofit child placing facilities for title IV-E out-of-home care services within 30 days of receiving all necessary documentation from those agencies.

Sec. 534. Funding not distributed from the teen pregnancy prevention pilot performance bonus may be used to support teen pregnancy prevention programs in the city of Pontiac.

Sec. 535. It is the intent of the legislature that the department shall review the merits of increasing the per month guardianship fee.

Sec. 536. The family independence agency shall not implement a geographically based assignment system for foster care unless determined to be in the best interests of the foster children.

Sec. 537. The department shall offer private nonprofit licensed agencies the first opportunity to provide foster care services for new foster children entering the system in a county when the department's direct care caseload for foster care is greater than 20 cases per foster care worker. This section shall only apply if the private nonprofit licensed agency has an available placement at the time the child needs to be placed and the placement is not contrary to the best interests of the child or the child's siblings.

Sec. 539. The family independence agency shall work in collaboration with representatives from private nonprofit child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the private nonprofit child placing agencies shall focus on statewide placement criteria to address the best interest of the child in need of services.

PUBLIC ASSISTANCE

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

(2) Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by the department or by an energy provider participating in an agreement with the department when the landlord’s property has been identified as needing services.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) The department shall negotiate with positive billing utility companies to develop extended payment plans. Such plans shall allow clients who terminate from positive billing due to increased income to make monthly payments in order to gradually liquidate utility arrears.

(4) It is the intent of the legislature that the department review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

(c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance abuse treatment center.

(d) A person receiving 30-day postresidential substance abuse treatment.

(e) A person diagnosed as having acquired immunodeficiency syndrome.

(f) A person receiving special education services through the local intermediate school district.

(g) A caretaker of a disabled person as defined in subdivision (a), (b), (e), or (f) above.

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:

(a) Meet the same asset test as is applied to applicants for the family independence program.

(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. “Material to the determination of disability” means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in section 402 of title IV of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 8 U.S.C. 1612, and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County family independence agencies shall require each recipient of state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/ supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/ adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2002 and ending September 30, 2003.

Sec. 610. In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 611. (1) The department shall not require providers of burial services to accept state payment for indigent burials as payments in full. Each provider shall be permitted to collect additional payment from relatives or other persons on behalf of the deceased. The total in additional payments shall not exceed $2,600.00.

(2) Any additional payment collected pursuant to subsection (1) shall not increase the maximum charge limit for state payment as established by law.

Sec. 612. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 613. (1) From the funds appropriated in part 1 for state emergency relief, the maximum allowable charge limit for indigent burials shall be $1,114.00. The funds shall be distributed as follows: $710.00 for funeral directors; $234.00 for cemeteries or crematoriums; and $170.00 for the provider of the vault.

(2) On December 31, 2002, participating funeral home directors or cemeteries or crematoriums shall submit on a quarterly basis a report on a form made available by the department that includes all of the following information:

(a) The number of indigent burials performed.

(b) The cost of services rendered for each indigent burial performed.

(c) The total reimbursement received from the state for indigent burials.

(d) The amount the participating provider received from families toward indigent burials.

(e) All other sources of reimbursement received by the participating providers shall be documented individually for indigent burials.

(f) The percentage of total burials performed by the provider that represents indigent burials.

(3) The department shall report on an annual basis on the information received from participating providers under subsection (2). The department shall submit the report to the state budget director, the chairpersons of the senate and house appropriations committees, the chairpersons of the senate and house appropriations subcommittees on the family independence agency, the senate and house fiscal agencies, and the senate and house policy offices.

Sec. 614. The funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals.

Sec. 616. (1) The appropriation in part 1 for the weatherization program shall be expended in such a manner that at least 25% of the households weatherized under the program shall be households of families receiving 1 or more of the following:

(a) Family independence assistance.

(b) State disability assistance.

(c) Food assistance.

(d) Supplemental security income.

(2) Any unencumbered balances of the weatherization program shall not lapse and may be carried forward to fiscal year 2004.

Sec. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. The department may only reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of the following situations:

(a) The only eligible recipient has died.

(b) A recipient member of a program group or family independence assistance group has died.

(c) A recipient child is removed from his or her family home by court action.

(d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.

(e) A recipient has been approved to receive assistance in another state.

(f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in section 115 of title I of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 21 U.S.C. 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

(a) A third-party payee or vendor shall be required for any cash benefits provided.

(b) An authorized representative shall be required for food assistance receipt.

Sec. 621. Funds appropriated in part 1 may be used to support multicultural assimilation and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 624. The department shall maintain a plan to provide for the implementation of temporary assistance for needy families-funded individual development accounts.

Sec. 625. The department in collaboration with the Michigan state university center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

(a) Creation of a Michigan-based support system for the capacity-building of existing and emerging CDCUs serving low-income individuals and families, including development and testing of training, technical assistance, and professional development initiatives and related materials, and other capacity-building services to Michigan CDCUs.

(b) Other related support to assist existing and emerging CDCUs in becoming self-supporting institutions to assist impoverished Michigan residents in becoming economically independent.

(c) Training and technical assistance to CDCUs in the development of support services, such as economic literacy, credit counseling, budget counseling, and asset management programs for low-income individuals and families.

Sec. 627. (1) From the funds appropriated in section 109 for day care services, the department shall contract to administer an amount not to exceed $1,350,000.00 for the "enhance quality improvement program" (EQUIP) grants. A priority for the expenditure of EQUIP funds shall be given to providers to expand access to child care, specifically 24-hour care and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

(2) From the funds appropriated in part 1 for day care services, the department shall establish an additional fund of at least $350,000.00 for a grant pool for an "enhance quality improvement program" (EQUIP) specifically to establish new family and group home day care providers.

Sec. 631. The department shall maintain policies and procedures to achieve all of the following:

(a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.

(b) Referral of persons so identified to counseling and supportive services.

(c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 632. The department shall calculate the food assistance allotment for applicants who are United States citizens and who live in a household with legal immigrants in a manner that maximizes the food assistance available to these United States citizens under federal law.

Sec. 635. Within 6 business days of receiving all information necessary to process an application for payments for child day care, the family independence agency shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the family independence agency shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. (1) From the funds appropriated in part 1 for day care services, the family independence agency shall expend up to $8,000,000.00 to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

(2) The use of the funds under this section should not be considered an ongoing commitment of funding.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters shall collaborate with the family independence agency to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 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. Homeless shelters that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the family independence agency's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 648. From the funds appropriated in part 1 for assistance payments, the department shall continue to make assistance payments to recipients beyond the federal 5-year limit set under the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 110 Stat. 2105, providing the recipient is complying with asset, income, and participation standards set as a condition of eligibility to receive assistance.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under section 6(o)(6) of the food stamp act of 1977, Public Law 88-525, 7 U.S.C. 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall continue 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 children in kindergarten to ninth grades. In order for an independent contractor to receive 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 $10,000,000.00 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 part 1 for before- or after-school pilot programs within day care services, the department is authorized to make allocations of funds only to the agencies that report necessary data to the department for the purpose of meeting TANF and maintenance of effort eligibility reporting requirements. The use of 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) Abstinence-based 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 grants or 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, and/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, 2003, 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, the senate and house fiscal agencies, and the senate and house policy offices. 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. 660. From the funds appropriated in part 1 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 agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. 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 for transitional work support, the department shall expend up to $5,000,000.00 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, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director with a report 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.

Sec. 665. The department shall continue to partner with the department of transportation to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals.

Sec. 666. The department shall develop and implement a plan to increase the participation of eligible family independence program recipients in the federal earned income tax credit.

Sec. 667. The department may expend funds necessary to perform child day care provider background checks from fees collected.

Sec. 668. In coordination with the Michigan alliance of boys and girls clubs, the department shall conduct a pilot program to develop a community-based child care program available to children ages 6 to 15. The pilot shall explore the ability to leverage child care funding by implementation of the SMART moves program, and with matching funds provided by the alliance. The pilot shall be funded through families selecting the program as their provider under the department's child day care programs, and through community-based matching funds.

JUVENILE JUSTICE SERVICES

Sec. 701. The department shall expend a portion of the federal juvenile accountability incentive block grant to support the boot camp program. The remainder of the state allocation of the juvenile accountability incentive block grant shall be used to provide funding to enable juvenile courts, juvenile probation offices, and community-based programs to be more effective and efficient in holding juvenile offenders accountable and reducing recidivism, treating substance abuse problems, and developing community-based alternatives for female offenders and the following:
(a) To better address gang, drug, and youth violence.
(b) For training, equipment, and technology.
(c) For the establishment of programs that protect students and school personnel from drug, gang, and youth violence.

Sec. 702. Expansion of facilities funded under part 1 for juvenile justice services shall not be authorized by the joint capital outlay subcommittee of the appropriations committees until the department has held a public hearing in the community where the facility proposed to be expanded is located.

Sec. 703. A juvenile adjudicated and placed in a state-operated maximum security program funded under part 1 for juvenile justice services shall not be allowed to leave the property of the maximum security facility at which the program is located except when required to leave the property for medical treatment, court appearances, or other good cause approved by the facility director. For purposes of this section, "juvenile" means that term as defined in section 115n of the social welfare act, 1939 PA 280, MCL 400.115n.

Sec. 704. New facilities funded under part 1 for juvenile justice services shall not be located within 1,500 feet of property in use for a K-12 educational program.

Sec. 705. (1) The department shall report on the W.J. Maxey facility to the house and senate appropriations subcommittees on the family independence agency budget as part of their annual budget presentation. The report shall include the following:
(a) Population reintegration goals for juvenile justice wards including, but not limited to, the categorization of positive outcomes and recidivism by age and incarceration type.
(b) Facility media policy to ensure reinforcement and consistency with treatment plans and desired ward outcomes.
(c) Staff and resident safety.
(d) Outcome based service and treatment program plan for wards who are sex offenders or substance abusers.

(e) Facility procedure following traumatic campus occurrences such as, but not limited to, violent and sexual assaults.

(f) Quality control process for resident service and release plans.

(2) The department shall ensure that all juveniles coming into care receive an assessment that includes a review of dysfunctional behavior in adolescents. In addition, the department shall ensure that all treatment addresses:

(a) Dysfunctional family practices, such as substance abuse and domestic violence.

(b) Sexual harassment and gender bias.

(c) Cultural and ethnic sensitivity.

Sec. 706. Counties shall be subject to 50% charge back for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. It is the intent of the legislature that the department work with the department of education and all other state and local agencies necessary to ensure funding through the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, to educate pupils assigned by a court or the family independence agency to reside in a state-operated juvenile detention or treatment facility. Daily per diem rates for state-operated juvenile detention and treatment facilities shall reflect savings due to the use of school aid funds for education services.

Sec. 709. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2003, counties shall have an approved service spending plan for the fiscal year ending September 30, 2003. Counties must submit the service spending plan to the department by December 15, 2002 for approval.

Sec. 710. From the funds appropriated in part 1 for juvenile justice services, the department shall continue contracts for county juvenile justice day treatment programs.

Sec. 712. Not more than 30 days after receiving a published report from the office of auditor general that states that the department has not complied with state or federal law, rule, or regulation, the department shall provide a report to the house and senate committees having jurisdiction over the family independence agency. The report shall state the reason for the noncompliance, a corrective action plan to bring the department into compliance, and the time frame for implementing and executing the plan.

Sec. 713. (1) The department shall work cooperatively with judiciary and with the departments of community health and career development to coordinate and improve the delivery of mental health and substance abuse treatment and education and training services to individuals leaving the juvenile justice system, especially those aging out of the system identified as continuing to pose a serious risk to themselves or others.

(2) As required by section 18 of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.18, juveniles committed to an institution operated by the department shall receive medical, dental, surgical, or other health care as necessary. The Medicaid reimbursable rate scale shall be used as the standard for allowable charges for services rendered. The family independence agency shall reimburse providers for the actual charges less than or equal to the Medicaid reimbursable rate scale for each service provided.

Sec. 714. (1) The family independence agency shall provide technical assistance for counties to develop information networks including, but not limited to, serious habitual offenders comprehensive action program (SHOCAP), juvenile justice on-line technology (JJOLT), and juvenile violent reporting system (JVRS).

(2) The department shall assist counties in identifying funding sources for the networks, including, but not limited to, the child care fund and the juvenile accountability incentive block grant.

(3) The local units of government shall report to the department on expenditures of their juvenile justice information networks in concert with their requests for reimbursement from the child care fund.

(4) The department shall provide during budget deliberation hearings the compilation of reports from the local units of government.

Sec. 715. (1) It is the intent of the legislature that the primary function of the juvenile justice system shall be to promote the protection of individuals and communities through the reduction of juvenile crime.

(2) Based on the recommendations of the 2001 joint house and senate task force on juvenile justice, the family independence agency shall present the early intervention initiatives demonstrating the principles at the annual balanced and restorative justice conference in May 2003. The early intervention shall include, but not be limited to, the following:

(a) Mentoring programs that focus on improving communication and collaboration, encourage quality mentoring programs, recruitment of mentors, and increasing public awareness of and participation in programs for at-risk youth.

(b) Discussion of programs relating to juvenile information networks as an Internet-based communication tool that assists with case management of juvenile offenders in the area.

(c) Discussion of the possibility of implementing a program modeled after the “Wisconsin citizenship initiative” to collaborate with the before- and after-school programs offered under the authority of this act.

(d) Exploration of the option of a summit conducted via the Internet to discuss measures relating to the prevention and intervention of at-risk youth.

(e) Discussion of California's "8% early intervention" program that focuses on aggressive early intervention and treatment of young, high at-risk juvenile offenders and their families.

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

(i) A report on the initiatives discussed at the balanced and restorative justice conference described in this section will be given to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees dealing with human services, the senate and house fiscal agencies, and the policy offices no later than September 30, 2003.

DISABILITY DETERMINATION SERVICES

Sec. 801. The family independence agency disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and determine eligibility of medical disability retirement for state employees, state police, judges, and school teachers.

Second: 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, 2003; 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 Toy
Conferees for the House

Michael Goschka
Joel Gougeon
Conferees for the Senate

The question being on the adoption of the conference report,

Point of Order

Senator Emerson raised the Point of Order that the conference report contained a provision for the consolidation of 2 or more counties into one single administrative unit, which conflicted with the social welfare act that provides for 2 counties to be consolidated. Therefore, the conference report was in violation of Joint Rule 10.

The President pro tempore, Senator Schwarz, ruled that the conference report contained an amendment by reference and was, therefore, ruled out of order.

Recess

Senator Emmons moved that the Senate recess until 3:30 p.m.

The motion prevailed, the time being 1:59 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the President pro tempore, Senator Schwarz.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Emmons moved that the Committee on Finance be discharged from further consideration of the following bills:

House Bill No. 6071, entitled

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending section 8a (MCL 125.2688a), as amended by 2000 PA 259.

House Bill No. 6074, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," (MCL 211.1 to 211.157) by adding section 9i.

The motion prevailed, a majority of the members serving voting therefor, and the bills were placed on the order of General Orders.

Senator Emmons moved that the rules be suspended and that the following bills, now on the order of General Orders, be placed on their immediate passage:

House Bill No. 6071

House Bill No. 6074

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

The following communication was received and read:

Office of the Senate Majority Leader

June 18, 2002

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the second conference committee for the following bill:

House Bill 5645 Senator Goschka
Senator Gougeon
Senator Murphy

Sincerely,
Dan L. DeGrow
Senate Majority Leader

The communication was referred to the Secretary for record.

Senator Emmons moved that the Committee on Appropriations be discharged from further consideration of the following bill:

House Bill No. 4462, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 101 (MCL 388.1701), as amended by 2002 PA 191.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Emmons moved that the rules be suspended and that the following bill, now on the order of General Orders, be placed on its immediate passage:

House Bill No. 4462

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

By unanimous consent the Senate returned to the order of

Conference Reports

Senator Emmons moved that joint rule 9 be suspended to permit immediate consideration of the conference report relative to the following bill:

Senate Bill No. 1101

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

Recess

Senator Emmons moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 3:42 p.m.

3:52 p.m.

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

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. 1101, entitled

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2003; 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; and to provide for disposition of fees and other income received by the various state agencies.

Recommends:

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

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, 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, 2003; 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; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS - FISCAL YEAR 2002-2003

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, 2003, 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 5,666.3		
Average population 1,438.0		
GROSS APPROPRIATION	$	9,799,182,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	$	69,172,900
ADJUSTED GROSS APPROPRIATION	$	9,730,009,400
Federal revenues:		
Total federal revenues		5,177,291,200
Special revenue funds:		
Total local revenues		1,065,265,900
Total private revenues		64,736,600
Tobacco settlement revenue		70,768,200
Total other state restricted revenues		874,240,600
State general fund/general purpose	$	2,477,706,900

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 343.5		
Director and other unclassified—6.0 FTE positions	$	581,500
Community health advisory council		28,900
Departmental administration and management—319.7 FTE positions		26,969,200
Certificate of need program administration—13.0 FTE positions		944,800
Worker's compensation program		10,506,800
Rent and building occupancy		9,020,100
Developmental disabilities council and projects—9.0 FTE positions		2,743,600
Rural health services		726,000
Michigan essential health care provider program		954,100
Palliative and hospice care		316,200
Primary care services—1.8 FTE positions		2,890,500
GROSS APPROPRIATION	$	55,681,700
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority		101,600

		For Fiscal Year Ending Sept. 30, 2003
Federal revenues:		
Total federal revenues	$	14,786,000
Special revenue funds:		
Total private revenues		185,900
Total other state restricted revenues		2,357,100
State general fund/general purpose	$	38,251,100
Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS		
Full-time equated classified positions 101.0		
Mental health/substance abuse program administration—101.0 FTE positions	$	10,172,600
Gambling addiction		3,500,000
Protection and advocacy services support		818,300
Mental health initiatives for older persons		1,165,800
Community residential and support services		4,473,600
Highway safety projects		1,837,200
Federal and other special projects		1,977,200
GROSS APPROPRIATION	$	23,944,700
Federal revenues:		
Total federal revenues		5,813,100
Special revenue funds:		
Total private revenues		190,000
Total other state restricted revenues		3,682,300
State general fund/general purpose	$	14,259,300
Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
Full-time equated classified positions 2.0		
Medicaid mental health services	$	1,521,686,200
Community mental health non-medicaid services		276,930,200
Multicultural services		5,663,800
Medicaid substance abuse services		26,127,500
Respite services		3,318,600
CMHSP, purchase of state services contracts		174,651,000
Civil service charges		2,606,400
Federal mental health block grant—2.0 FTE positions		15,317,400
State disability assistance program substance abuse services		6,600,000
Community substance abuse prevention, education and treatment programs		79,740,400
GROSS APPROPRIATION	$	2,112,641,500
Appropriated from:		
Federal revenues:		
Total federal revenues		951,551,600
Special revenue funds:		
Total other state restricted revenues		134,542,400
State general fund/general purpose	$	1,026,547,500
Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES		
Total average population 1,438.0		
Full-time equated classified positions 4,289.0		
Caro regional mental health center-psychiatric hospital-adult—498.0 FTE positions	$	39,828,900
Average population 184.0		
Kalamazoo psychiatric hospital-adult—402.0 FTE positions		29,559,400
Average population 136.0		
Northville psychiatric hospital-adult—844.0 FTE positions		65,451,800
Average population 377.0		
Walter P. Reuther psychiatric hospital-adult—440.0 FTE positions		35,332,500
Average population 232.0		

		For Fiscal Year Ending Sept. 30, 2003
Hawthorn center-psychiatric hospital-children and adolescents—333.0 FTE positions	$	24,627,200
Average population 118.0		
Mount Pleasant center-developmental disabilities—498.0 FTE positions		36,883,300
Average population 181.0		
Center for forensic psychiatry—522.0 FTE positions		41,835,500
Average population 210.0		
Forensic mental health services provided to the department of corrections—741.0 FTE positions		68,088,700
Revenue recapture		750,000
IDEA, federal special education		120,000
Special maintenance and equipment		947,800
Purchase of medical services for residents of hospitals and centers		1,358,200
Closed site, transition, and related costs—11.0 FTE positions		1,066,900
Severance pay		216,900
Gifts and bequests for patient living and treatment environment		500,000
GROSS APPROPRIATION	$	346,567,100
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of corrections		68,088,700
Federal revenues:		
Total federal revenues		33,145,700
Special revenue funds:		
CMHSP, purchase of state services contracts		174,651,000
Other local revenues		17,121,200
Total private revenues		500,000
Total other state restricted revenues		10,396,000
State general fund/general purpose	$	42,664,500
Sec. 106. PUBLIC HEALTH ADMINISTRATION		
Full-time equated classified positions 81.3		
Executive administration—12.0 FTE positions	$	1,129,200
Minority health grants and contracts		650,000
Vital records and health statistics—69.3 FTE positions		5,610,500
GROSS APPROPRIATION	$	7,389,700
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from family independence agency		447,800
Federal revenues:		
Total federal revenues		2,045,100
Special revenue funds:		
Total other state restricted revenues		2,432,200
State general fund/general purpose	$	2,464,600
Sec. 107. INFECTIOUS DISEASE CONTROL		
Full-time equated classified positions 44.3		
AIDS prevention, testing, and care programs—9.8 FTE positions	$	27,608,300
Immunization local agreements		14,324,400
Immunization program management and field support—7.7 FTE positions		1,699,600
Sexually transmitted disease control local agreements		3,541,700
Sexually transmitted disease control management and field support—26.8 FTE positions		3,503,500
GROSS APPROPRIATION	$	50,677,500
Appropriated from:		
Federal revenues:		
Total federal revenues		36,057,700
Special revenue funds:		
Total private revenues		1,847,000
Total other state restricted revenues		7,684,100
State general fund/general purpose	$	5,088,700

		For Fiscal Year Ending Sept. 30, 2003
Sec. 108. LABORATORY SERVICES		
Full-time equated classified positions 113.2		
Laboratory services—113.2 FTE positions	$	13,326,700
GROSS APPROPRIATION	$	13,326,700
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from environmental quality		392,100
Federal revenues:		
Total federal revenues		3,411,100
Special revenue funds:		
Total other state restricted revenues		3,131,300
State general fund/general purpose	$	6,392,200
Sec. 109. EPIDEMIOLOGY		
Full-time equated classified positions 64.5		
AIDS surveillance and prevention program—7.0 FTE positions	$	1,772,800
Asthma prevention and control		675,000
Bioterrorism preparedness—33.0 FTE positions		9,503,400
Epidemiology administration—24.5 FTE positions		5,624,000
Tuberculosis control and recalcitrant AIDS program		867,000
GROSS APPROPRIATION	$	18,442,200
Appropriated from:		
Federal revenues:		
Total federal revenues		15,936,100
Special revenue funds:		
Total other state restricted revenues		179,000
State general fund/general purpose	$	2,327,100
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		1,550,200
Local health services		223,800
Local public health operations		41,070,200
Medical services cost reimbursement to local health departments		1,500,000
GROSS APPROPRIATION	$	44,444,200
Appropriated from:		
Federal revenues:		
Total federal revenues		2,949,100
Special revenue funds:		
Total other state restricted revenues		101,100
State general fund/general purpose	$	41,394,000
Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
Full-time equated classified positions 30.7		
African-American male health initiative	$	5,000
AIDS and risk reduction clearinghouse and media campaign		1,576,000
Alzheimer's information network		440,000
Cancer prevention and control program—13.6 FTE positions		12,081,400
Chronic disease prevention		1,527,400
Diabetes and kidney program—8.0 FTE positions		1,388,500
Health education, promotion, and research programs—2.9 FTE positions		1,352,800
Injury control intervention project		430,000
Morris Hood Wayne State University diabetes outreach		500,000
Obesity program		255,000
Physical fitness, nutrition, and health		755,000
Public health traffic safety coordination		650,000
Smoking prevention program—6.2 FTE positions		3,644,700

		For Fiscal Year Ending Sept. 30, 2003
Tobacco tax collection and enforcement	$	810,000
Violence prevention		1,446,900
GROSS APPROPRIATION	$	26,862,700
Appropriated from:		
Federal revenues:		
Total federal revenues		15,203,200
Special revenue funds:		
Total other state restricted revenues		7,625,800
State general fund/general purpose	$	4,033,700
Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES		
Full-time equated classified positions 84.0		
Childhood lead program—5.0 FTE positions	$	1,412,200
Children's waiver home care program		22,828,400
Community living, children, and families administration—68.5 FTE positions		7,285,100
Dental programs		510,400
Dental program for persons with developmental disabilities		151,000
Family planning local agreements		8,393,900
Family support subsidy		14,737,100
Housing and support services—1.0 FTE positions		5,579,300
Local MCH services		13,050,200
Medicaid outreach and service delivery support		6,488,600
Migrant health care		200,000
Newborn screening follow-up and treatment services		2,428,000
Omnibus budget reconciliation act implementation—9.0 FTE positions		12,770,500
Pediatric AIDS prevention and control		1,026,300
Pregnancy prevention program		2,851,100
Prenatal care outreach and service delivery support		4,299,300
Southwest community partnership		1,547,300
Special projects—0.5 FTE positions		6,337,500
Sudden infant death syndrome program		321,300
GROSS APPROPRIATION	$	112,217,500
Appropriated from:		
Federal revenues:		
Total federal revenues		73,009,800
Special revenue funds:		
Private funds		261,100
Total other state restricted revenues		8,490,000
State general fund/general purpose	$	30,456,600
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	$	4,951,300
Women, infants, and children program local agreements and food costs		164,311,000
GROSS APPROPRIATION	$	169,262,300
Appropriated from:		
Federal revenues:		
Total federal revenues		121,386,400
Special revenue funds:		
Total private revenues		47,875,900
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	$	5,058,500
Amputee program		184,600
Bequests for care and services		1,579,600

		For Fiscal Year Ending Sept. 30, 2003
Case management services	$	3,923,500
Conveyor contract		559,100
Medical care and treatment		151,600,000
GROSS APPROPRIATION	$	162,905,300
Appropriated from:		
Federal revenues:		
Total federal revenues		77,985,400
Special revenue funds:		
Private-bequests		750,000
Total other state restricted revenues		650,000
State general fund/general purpose	$	83,519,900
Sec. 115. OFFICE OF DRUG CONTROL POLICY		
Full-time equated classified positions 17.0		
Drug control policy—17.0 FTE positions	$	1,973,400
Anti-drug abuse grants		28,659,200
GROSS APPROPRIATION	$	30,632,600
Appropriated from:		
Federal revenues:		
Total federal revenues		30,246,600
State general fund/general purpose	$	386,000
Sec. 116. CRIME VICTIM SERVICES COMMISSION		
Full-time equated classified positions 9.0		
Grants administration services—9.0 FTE positions	$	1,040,500
Justice assistance grants		15,000,000
Crime victim rights services grants		7,655,300
GROSS APPROPRIATION	$	23,695,800
Appropriated from:		
Federal revenues:		
Total federal revenues		15,939,900
Special revenue funds:		
Total other state restricted revenues		7,240,900
State general fund/general purpose	$	515,000
Sec. 117. OFFICE OF SERVICES TO THE AGING		
Full-time equated classified positions 41.5		
Commission (per diem $50.00)	$	10,500
Long-term care advisor—3.0 FTE positions		761,000
Office of services to aging administration—38.5 FTE positions		4,201,200
Community services		34,589,900
Nutrition services		37,289,300
Senior volunteer services		5,970,000
Senior citizen centers staffing and equipment		1,130,000
Employment assistance		2,818,300
Respite care program		7,100,000
GROSS APPROPRIATION	$	93,870,200
Appropriated from:		
Federal revenues:		
Total federal revenues		48,813,400
Special revenue funds:		
Tobacco settlement revenue		5,761,000
Total other state restricted revenues		2,600,000
State general fund/general purpose	$	36,695,800
Sec. 118. MEDICAL SERVICES ADMINISTRATION		
Full-time equated classified positions 333.7		
Medical services administration—333.7 FTE positions	$	42,419,700
Facility inspection contract - state police		132,800
MIChild administration		4,527,800
GROSS APPROPRIATION	$	47,080,300

		For Fiscal Year Ending Sept. 30, 2003
Appropriated from:		
Federal revenues:		
Total federal revenues	$	30,839,700
Special revenue funds:		
State general fund/general purpose	$	16,240,600
Sec. 119. MEDICAL SERVICES		
Hospital services and therapy	$	781,065,800
Hospital disproportionate share payments		45,000,000
Physician services		176,587,900
Medicare premium payments		153,600,000
Pharmaceutical services		543,923,100
Home health services		26,800,000
Transportation		8,300,000
Auxiliary medical services		90,300,000
Ambulance services		5,000,000
Long-term care services		1,225,927,400
Home and community based waiver program		126,000,000
Elder prescription insurance coverage		145,000,000
Health maintenance organizations		1,581,188,600
MIChild program		57,067,100
MIFamily plan		191,091,900
Personal care services		20,816,200
Maternal and child health		9,234,500
Adult home help		187,387,800
Social services to the physically disabled		1,344,900
Subtotal basic medical services program		5,375,635,200
School-based services		65,094,200
Special adjustor payments		1,014,000,900
Subtotal special medical services payments		1,079,095,100
GROSS APPROPRIATION	$	6,454,730,300
Appropriated from:		
Federal revenues:		
Total federal revenues		3,679,486,100
Special revenue funds:		
Total local revenues		873,493,700
Total private revenues		13,126,700
Tobacco settlement revenue		65,007,200
Total other state restricted revenues		681,334,600
State general fund/general purpose	$	1,142,282,000
Sec. 120. INFORMATION TECHNOLOGY		
Information technology services and projects	$	35,834,300
GROSS APPROPRIATION	$	35,834,300
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of corrections		142,700
Federal revenues:		
Total federal revenues		18,685,200
Special revenue funds:		
Total other state restricted revenues		1,793,800
State general fund/general purpose	$	15,212,600
Sec. 121. BUDGETARY SAVINGS		
Budgetary savings	$	(25,630,600)
GROSS APPROPRIATION	$	(25,630,600)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(25,630,600)

		For Fiscal Year Ending Sept. 30, 2003
Sec. 122. EARLY RETIREMENT SAVINGS		
Early retirement savings	$	(5,393,700)
GROSS APPROPRIATION	$	(5,393,700)
Appropriated from:		
State general fund/general purpose	$	(5,393,700)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2002-2003

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 2002-2003 is $3,422,715,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is $1,089,306,700.00. 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	$	15,656,500
Rural health services		35,000
MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS		
Mental health initiatives for older persons		1,165,800
COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
State disability assistance program substance abuse services		6,600,000
Community substance abuse prevention, education, and treatment programs		19,133,500
Medicaid mental health services		660,538,700
Community mental health non-Medicaid services		276,930,200
Multicultural services		5,663,800
Medicaid substance abuse services		11,647,600
Respite services		3,318,600
INFECTIOUS DISEASE CONTROL		
AIDS prevention, testing and care programs		1,466,800
Immunization local agreements		2,973,900
Sexually transmitted disease control local agreements		452,900
LOCAL HEALTH ADMINISTRATION AND GRANTS		
Local public health operations		41,070,200
CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
Cancer prevention and control program		722,400
Smoking prevention program		690,400
COMMUNITY LIVING, CHILDREN, AND FAMILIES		
Childhood lead program		85,000
Family planning local agreements		1,301,400
Local MCH services		246,100
Omnibus budget reconciliation act implementation		2,152,700
Prenatal care outreach and service delivery support		1,235,000
CHILDREN'S SPECIAL HEALTH CARE SERVICES		
Case management services		3,319,900
MEDICAL SERVICES		
Transportation		866,200
OFFICE OF SERVICES TO THE AGING		
Community services		13,292,900
Nutrition services		12,848,500
Senior volunteer services		841,400
CRIME VICTIM SERVICES COMMISSION		
Crime victim rights services grants		5,051,300
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	$	1,089,306,700

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 services 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*) "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.

(m) "HIV" means human immunodeficiency virus.

(n) "HMO" means health maintenance organization.

(o) "IDEA" means individual disability education act.

(p) "MCH" means maternal and child health.

(q) "MSS/ISS" means maternal and infant support services.

(r) "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.

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

(t) "Title XX" means title XX of the social security act, chapter 531, 49 U.S.C. 1397 to 1397f.

(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) 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.

(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, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining the vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the 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 120 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. Unless otherwise specified, the department shall use 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 Intranet site. Quarterly, the department shall provide to the house of representatives and senate appropriations subcommittees' members, the state budget office, and the house and senate fiscal agencies an electronic and paper listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, if any.

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

(2) Funds appropriated in part 1 shall not be used for the purchase of out-of-state goods or services, or both, if competitively priced and comparable quality Michigan 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	$	20,627,000
(b) Preventive health and health services block grant		6,115,300
(c) Substance abuse block grant		61,371,200
(d) Healthy Michigan fund		35,200,000
(e) Michigan health initiative		9,060,200

(2) On or before February 1, 2003, 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 2003-2004 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 2002-2003 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 January 1, 2003, 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) Description of allocations or bid processes including need or demand indicators used to determine allocations.

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

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

(e) 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 2002-2003, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

(3) The department shall report by March 15, 2003 and September 15, 2003 to the house of representatives and senate appropriations subcommittees on community health on all reimbursements, refunds, adjustments, and settlements from prior years.

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, 2002 and May 1, 2003 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, 2003, 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.

Sec. 259. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology related services and projects. The user fees are subject to provisions of any interagency agreement between the department and the department of information technology.

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 262. (1) As a condition of expending funds appropriated in part 1, the department shall provide the members of the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies with a written explanation of the reason or reasons why the department did not fully expend appropriated funds each time any of the following occurs:

(a) A legislative transfer is proposed that would remove 10% or more of the funding in a line item.

(b) A legislative transfer is proposed that would bring the total of year-to-date transfers out of that line item to 10% or more of the originally appropriated amount.

(c) A legislative transfer is proposed that would remove funding in a line item that is the subject of boilerplate language expressing a legislative intent for program implementation.

(d) When it appears that 10% or more of a line item will lapse to the general fund at the close of the fiscal year.

(e) When it appears that 10% or more of a line item will be proposed to be included in a work project, or when the amount that may be included in a work project plus the sum of legislative transfers out of the line item will total 10% or more of the amount originally appropriated.

(2) A written explanation required by subsection (1)(a), (b), or (c) shall be provided on the same day that the department of management and budget requests approval of the legislative transfer. A written explanation required by subsection (1)(d) or (e) shall be provided by September 15, 2003.

(3) In addition, a written explanation that is provided with regard to an appropriation that is the subject of boilerplate language described in subsection (1)(c), whether or not the explanation is provided to comply with subsection (1)(c) or another subdivision of subsection (1), shall include a copy of the applicable boilerplate language.

Sec. 263. (1) Subject to subsection (2), in addition to the amount appropriated under part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

(a) $189,100.00 is appropriated to the consumer involvement program.

(b) $339,100.00 is appropriated to minority health grants and contracts.

(c) $315,000.00 is appropriated to the African-American male health initiative.

(d) $1,500,000.00 is appropriated to cancer prevention and control to be allocated pursuant to section 1008.

(e) $45,000.00 is appropriated to chronic disease prevention for child and adult arthritis.

(f) $2,647,200.00 is appropriated to the diabetes and kidney program.

(g) $495,000.00 is appropriated to the injury control intervention project for safe kids program.

(h) $165,900.00 is appropriated to immunization local agreements for the meningitis initiative.

(i) $495,000.00 is appropriated to the Michigan essential health provider program.

(j) $195,000.00 is appropriated to the obesity program.

(k) $490,000.00 is appropriated to physical fitness, nutrition, and health.

(*l*) $3,495,000.00 is appropriated to the pregnancy prevention program.

(m) $1,900,000.00 is appropriated for smoking prevention.

(n) $195,000.00 is appropriated for special projects for fetal alcohol syndrome.

(o) $238,500.00 is appropriated for local health services for training and evaluation.

(2) The appropriation in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

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.

Sec. 304. 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. 305. The department is directed to continue support of multicultural agencies that provide primary care services from the funds appropriated in part 1.

Sec. 307. From the funds appropriated in part 1 for primary care services, an amount not to exceed $2,890,500.00 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.

Sec. 309. The Breton health center shall be designated as a state sponsored health center for the purpose of qualifying certified health care providers for loan repayments under the Michigan essential health care provider program.

Sec. 310. (1) The department shall identify all primary care clinics located in federally designated health professional shortage areas.

(2) The department shall provide assistance, at the request of any primary care clinic identified in subsection (1), in attaining designation as a state sponsored health center for the purpose of qualifying certified health care providers for loan repayments under the Michigan essential health care provider program.

(3) The department shall provide bimonthly reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the names and locations of all clinics located in federally designated health professional shortage areas and those clinics that have been designated as Michigan essential health care provider sites.

Sec. 311. From the amounts appropriated in part 1 for palliative and end of life care, $166,200.00 shall be allocated for education programs on and promotion of palliative care, hospice, and end of life care. The department shall provide a report on the interim results of the hospice pilot project to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies by October 1, 2002.

Sec. 312. From the funds appropriated in part 1 for palliative and hospice care, the department shall allocate $150,000.00 to the Michigan partnership for the advancement of end-of-life care. The funds shall be used for the continued development and implementation of the strategic plan to improve end-of-life care in Michigan. It is the intent of the legislature that the amount of this grant shall decrease by $50,000.00 in each of the next 3 fiscal years.

Sec. 313. By November 1, 2002, 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 activities undertaken by the department to address compulsive gambling.

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 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 CMHSP 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.

(h) A system that serves at-risk and delinquent youth as required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

(2) In partnership with CMHSPs, the department shall continue the 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 and any other state department or agency 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 2002-2003 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 that includes the information required by this section.

(2) The report shall contain information for each CMHSP 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) When the encounter data is available, a breakdown of clients served, by diagnosis. As used in this subdivision, "diagnosis" means a recipient's primary diagnosis, stated as a specifically named mental illness, emotional disorder, or developmental disability corresponding to terminology employed in the latest edition of the American psychiatric association's diagnostic and statistical manual.

(c) Per capita expenditures by client population group.

(d) 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.

(e) 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.

(f) Information about access to community mental health services programs which shall include, but not be limited to, 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.

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

(h) 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.

(i) An estimate of the number of FTEs employed by the CMHSPs or contracted with directly by the CMHSPs as of September 30, 2002 and an estimate of the number of FTEs employed through contracts with provider organizations as of September 30, 2002.

(j) Lapses and carryforwards during fiscal year 2001-2002 for CMHSPs.

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

(*l*) 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 shall continue to be paid to direct care workers.

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, 2003, the department shall report the following data from fiscal year 2001-2002 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, including 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 and Salvation Army turning point of west Michigan to provide non-Medicaid substance abuse services at not less than the amount contracted for in fiscal year 2001-2002. To fund the contracts described in this section, the department shall make an administrative allocation from its existing appropriation of not less than 10% of the amount contracted for in fiscal year 2001-2002 for these programs of the Salvation Army.

Sec. 413. By October 10, 2002, the department shall report to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies on the methodology utilized and the adjustments made in recalculating the capitation rates payable to CMHSPs and other managing entities under the federal waiver for Michigan managed specialty services and supports program.

Sec. 414. Medicaid substance abuse treatment services shall be managed by selected CMHSPs pursuant to the centers for Medicare and Medicaid services' 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 2002-2003.

(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 and Medicaid substance abuse services exceed the appropriations contemplated in part 1 due to an increase in the number or mix of Medicaid eligibles, the department shall request the transfer of appropriation lapses or supplemental funding as may be necessary to offset such expenditures.

Sec. 417. (1) It is the intent of the legislature that the department support projects by community mental health boards to establish regional partnerships. Community mental health boards located in counties within a 45-mile radius of each other shall be allowed to collaborate for the purpose of forming 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 projects described in this section shall be completely voluntary and be based on projects proposed by the community mental health boards. Each proposed project shall be consistent with the scope, duration, risks, and inducements contained in the plan for competitive procurement that the department submits to the centers for Medicare and Medicaid services 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 projects described in this section, the department shall allow any regional partnership formed under this section to retain 100% of any net lapses generated by the regional partnership.

Sec. 418. 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. 419. From the funds appropriated in part 1 for community substance abuse prevention, education, and treatment programs, the department and a CMHSP that contract with a substance abuse coordinating agency shall include a provision in the contract that allows the agency to carry forward up to 5% of its federal block grant revenue.

Sec. 422. (1) It is the intent of the legislature that the department support pilot projects by CMHSPs to control and manage psychotropic drug costs associated with the managed specialty services and supports program.

(2) The purpose of the pilot projects is to allow CMHSPs to develop the necessary management and financial tools to assume risk for the responsibility of managing psychotropic drug costs.

(3) The pilot projects described in this section shall be completely voluntary and based on projects proposed by the CMHSPs.

(4) The department shall provide quarterly reports to the house of representatives and senate appropriations subcommittees on community health, the state budget office, and the house and senate fiscal agencies as to any activities by CMHSPs to pilot projects under this section.

Sec. 423. The department shall work cooperatively with the family independence agency and the departments of corrections, education, state police, and military and veterans affairs to coordinate and improve the delivery of substance abuse prevention, education, and treatment programs within existing appropriations. The department shall report by March 15, 2003 on the outcomes of this cooperative effort to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Sec. 424. Each community mental health services program that contracts with the department to provide services to the Medicaid population shall adhere to the following timely claims processing and payment procedure for claims submitted by health professionals and facilities:

(a) A "clean claim" as described in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i, must be paid within 45 days after receipt of the claim by the community mental health services program. A clean claim that is not paid within this time frame shall bear simple interest at a rate of 12% per annum.

(b) A community mental health services program must state in writing to the health professional or facility any defect in the claim within 30 days after receipt of the claim.

(c) A health professional and a health facility have 30 days after receipt of a notice that a claim or a portion of a claim is defective within which to correct the defect. The community mental health services program shall pay the claim within 30 days after the defect is corrected.

Sec. 425. By April 1, 2003, the department, in conjunction with the department of corrections, shall report the following data from fiscal year 2001-2002 on mental health and substance abuse services to the house of representatives and senate appropriations subcommittees on community health and corrections, the house and senate fiscal agencies, and the state budget office:

(a) The number of prisoners receiving substance abuse services which shall include a description and breakdown on the type of substance abuse services provided to prisoners.

(b) The number of prisoners receiving mental health services which shall include a description and breakdown on the type of mental health services provided to prisoners.

(c) Data indicating if prisoners receiving mental health services were previously hospitalized in a state psychiatric hospital for persons with mental illness.

Sec. 426. (1) By May 31, 2003, the department shall assist the family independence agency in providing the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director with a report on mental health services to minors assigned or referred by the courts and found to meet CMHSP clinical and financial eligibility determination requirements for fiscal year 2001-2002.

(2) The report described in subsection (1) shall contain information for each CMHSP calculated by the department from fiscal year 2001-2002 data reporting requirements and a statewide summary, each of which shall contain at least the following information:

(a) The number of minors meeting the criteria in subsection (1) and evaluated as a result of court assignment or referral.

(b) The number of minors meeting the criteria in subsection (1) and receiving treatment after the court assignment or referral.

(c) A breakdown of minors meeting the criteria in subsection (1) receiving treatment, by the following categories:

(*i*) Age.

(*ii*) Primary diagnosis, stated as a specifically named condition corresponding to the terminology employed in the latest version of the diagnostic and statistical manual of the American psychiatric association.

(*iii*) Whether or not the score on the state designated outcome instrument indicated marked or severe functional impairment.

(*iv*) Average length of stay in CMHSP treatment.

(*v*) Unduplicated count of the number receiving residential service and average length of stay in residential service.

(*vi*) Number of recipients served under each categorical children's service heading maintained by the department for standard reporting purposes.

Sec. 427. (1) Unless required by federal law, the department shall not enact any contract changes concerning capitation payments to CMHSPs for Medicaid eligibles unless agreed to by contract with CMHSPs.

(2) In the event that the federal government mandates that the department make any changes in eligibility or payment rates for CMHSP Medicaid capitation payments, the department shall inform the members of the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director within 2 weeks of the estimated change in CMH Medicaid expenditures due to the federally mandated policy change.

(3) The department may not alter CMH Medicaid capitation rates in order to offset any increases in costs due to increases in Medicaid caseload or case mixture.

(4) Before submitting any state plan amendment to the federal waiver for the managed specialty services and supports program to the centers for Medicare and Medicaid services, the department shall submit a copy of the amendment to the legislature.

Sec. 428. (1) The department of community health shall establish a separate contingency appropriations account, in an amount not to exceed $100,000,000.00. The sole purpose of this account shall be to provide funding for an increase in Medicaid capitation rates, payable to CMHSPs, for Medicaid mental health services.

(2) Each CMHSP and affiliation of CMHSPs shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for CMHSPs and affiliations of CMHSPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a CMHSP or an affiliation of CMHSPs.

(3) The distribution of the aforementioned increases in the capitation payment rates, if any, shall be based on a formula developed by a committee established by the department, including representatives from CMHSPs or affiliations of CMHSPs and department staff.

(4) The Medicaid capitation rate increase distribution formula, developed by the committee specified in subsection (3), shall be based upon an analysis of recipient characteristics, comparative needs, actuarial trends, equitable adjustments among funding sources, and other relevant considerations. The committee may also recommend changes in community mental health non-Medicaid (funding formula) payments to CMHSPs in conjunction with establishing the formula noted above in order to maximize funding for all CMHSPs. The committee shall report its findings by February 1, 2003 to the senate and house of representatives appropriations subcommittees on community health.

(5) The enactment of this section shall not result in any increase in the local match or county match obligation above the level of funding provided for mental health services in fiscal year 2001-2002. This section shall further confirm that the Medicaid program for specialty services and supports is part of the county-based community mental health services program system.

(6) This section shall not be implemented if it is found not to be in compliance with federal laws or regulations governing these types of transactions.

Sec. 430. From the funds appropriated in part 1 for community mental health non-Medicaid services, CMHSPs that contract with local providers of mental health services and services for persons with developmental disabilities, under a capitated reimbursement system, may include a provision in the contract that allows the providers to carry forward up to 5% of unobligated capitation payments.

Sec. 431. From the funds appropriated in part 1 for Medicaid mental health services, CMHSPs that contract with local providers of mental health services and services for persons with developmental disabilities, under a capitated reimbursement system, may include a provision in the contract that allows the providers to carry forward up to 5% of unobligated capitation payments.

Sec. 432. It is the intent of the legislature that all community mental health services programs establish regular ongoing discussions with local providers of mental health services, substance abuse services, and services to persons with developmental disabilities in preparation for competitive procurement of these services as described in the plan approved by the centers for Medicare and Medicaid services. These discussions shall include representatives of the county or counties included in the service area of the community mental health services program and should take into account maintaining continuity of care for patients and service recipients in the transition to competitive procurement of services.

Sec. 433. The department shall apply for a "system of change" grant from the centers for Medicare and Medicaid services. This grant is intended to support self-determination initiatives, including a consumer cooperative proposal, for persons with developmental disabilities and persons with mental illness.

Sec. 435. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1, 2002.

Sec. 436. CMHSPs, regional partnerships, and other entities who are chosen to provide public mental health services through the 1915(b) specialty services and support waiver bidding process shall endeavor to minimize disruptions in services to their clientele due to potential changes in their contracts with providers.

Sec. 439. (1) It is the intent of the legislature that the department, in conjunction with CMHSPs, support pilot projects that facilitate the movement of adults with mental illness from state psychiatric hospitals to community residential settings.

(2) The purpose of the pilot projects is to encourage the placement of persons with mental illness in community residential settings who may require any of the following:

(a) A secured and supervised living environment.

(b) Assistance in taking prescribed medications.

(c) Intensive case management services.

(d) Assertive community treatment team services.

(e) Alcohol or substance abuse treatment and counseling.

(f) Individual or group therapy.

(g) Day or partial day programming activities.

(h) Vocational, educational, or self-help training or activities.

(i) Other services prescribed to treat a person’s mental illness to prevent the need for hospitalization.

(3) The pilot projects described in this section shall be completely voluntary.

(4) The department shall provide quarterly reports to the house of representatives and senate appropriations subcommittees on community health, the state budget office, and the house and senate fiscal agencies as to any activities undertaken by the department and CMHSPs to pilot projects under this section.

Sec. 442. (1) It is the intent of the legislature that the $40,000,000.00 in funding transferred from the community mental health non-Medicaid services line to the Medicaid mental health services line be used to provide state match for increases in Medicaid funding for mental health services provided to MI-Family enrollees and for economic increases for the Medicaid specialty services and supports program. Such redirection may only occur for these 2 purposes.

(2) The department shall assure that persons eligible for mental health services under the priority population sections of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, will receive mandated services under this plan.

(3) Capitation payments to CMHSPs for persons that become enrolled in Medicaid under the MI-Family program shall be made at the same rates as payments for current Medicaid beneficiaries.

(4) If payments made to CMHSPs for MI-Family services are less than the revenue included in the Medicaid mental health services line for services to MI-Family enrollees, the general fund match for those unused federal dollars shall be transferred back to the community mental health non-Medicaid services line. The department is authorized to transfer up to $18,000,000.00 from the community mental health non-Medicaid services line to provide state match for increases in Medicaid funding for MI-Family services to the extent that persons are enrolled in the program. The department shall report quarterly to the senate and house of representatives appropriations subcommittees on community health the number of persons enrolled in the MI-Family program, the amount of funding transferred from the community mental health non-Medicaid services line per this subsection, the amount of Medicaid federal funds drawn down as a result of each transfer, and the services provided to MI-Family enrollees with these funds.

(5) The department shall establish a committee comprised of representatives of the department and the CMHSPs to establish a formula for distribution of payments for economic increases for the Medicaid specialty services and supports program referenced under subsection (1). The committee may recommend changes in community mental health non-Medicaid (funding formula) payments to CMHSPs in conjunction with establishing the formula noted above in order to maximize funding for all CMHSPs. The committee shall determine the level and cost of mental health services provided as a result of the MI-Family program and determine the amount of general fund dollars available to serve priority populations required by the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106. The committee shall report its findings by February 1, 2003 to the senate and house of representatives appropriations subcommittees on community health.

Sec. 444. The department shall ensure that appropriate continuum of mental and behavioral health services are available to meet the needs of children which include inpatient services, outpatient services, in-home visits, and family respite care. The department shall also promote mental health preventive measures for children which include school-based risk assessments of children and collaborative efforts between the state, communities, schools, and families.

Sec. 447. The department shall provide to the CMHSPs a fixed net cost rate for services provided by the state. This rate shall be equal to the operating cost of providing services minus that part of operating cost paid by federal and private funds, less the amount received by the state as reimbursement from those persons and insurers who are financially liable for the cost of such service. These rates shall be developed by October 1, 2002, and shall be included in the contract between the department and the CMHSPs. The department shall use these rates for CMHSP authorizations as well as for the rates which the department bills CMHSPs for state services.

Sec. 448. As required under section 1903(w)(7)(A)(*viii*) of title XIX, 42 U.S.C. 1396b, a CMHSP or affiliate of a CMHSP that receives funds under this act for participating in the Medicaid managed specialty mental health and substance abuse program administered by the department shall comply with the provisions of section 224b of the insurance code of 1956, 1956 PA 218, MCL 500.224b, as if it were a health maintenance organization. The quality assurance assessment fee charged to the CMHSP or affiliate shall not exceed 6%.

Sec. 449. From the funds appropriated in part 1 for multicultural services, $2,500,000.00 shall be allocated for persons with severe mental, developmental, physical, or emotional disabilities who are not currently served under this program.

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 $500,000.00 remaining on September 30, 2003 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 the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house of representatives and senate appropriations subcommittees on community health.

(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.

Sec. 606. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid, to cover the cost of placement in state hospitals and centers. The department is authorized to adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The revenue carried forward shall be used as a first source of funds in the subsequent year.

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.

Sec. 805. (1) From the funds appropriated in part 1 for immunization local agreements, the department shall establish a Natalia Horak and Matthew Knueppel meningitis prevention initiative fund in the amount of $334,100.00, unless otherwise adjusted pursuant to section 263. The department shall ensure that the fund may accept private and local contributions.

(2) The purpose of this fund shall be to provide grants to qualified organizations that will develop education modules targeted towards groups at increased risk of becoming infected with meningitis. The education modules shall provide information on the benefits and risks of vaccination as well as on early detection and treatment for all forms of the disease. Education pertaining to early detection, isolation, and treatment may also be developed for primary medical care providers and local health officers.

(3) The department shall establish the qualification criteria for organizations and shall provide quarterly reports on this initiative to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies.

EPIDEMIOLOGY

Sec. 851. From the funds appropriated in part 1 for asthma prevention and control, $300,000.00 shall be allocated for an asthma intervention program, including surveillance, community-based programs, and awareness and education. The department shall seek federal funds as they are made available for asthma programs.

Sec. 852. From the funds appropriated in part 1 for bioterrorism preparedness from federal bioterrorism hospital preparedness funding and consistent with federal requirements, the department shall make the following allocations: $300,000.00 to Sault Ste. Marie War Memorial Hospital, $300,000.00 to Traverse City Munson Healthcare, $300,000.00 to Battle Creek Health System, $500,000.00 to Grand Rapids Metropolitan Medical Response System, $1,000,000.00 to Sparrow Health System, and $1,000,000.00 to Detroit Medical Center.

Sec. 853. From the funds appropriated in part 1 for epidemiology administration, $100.00 shall be allocated to allow and support a collaborative and ongoing research initiative between the department, Michigan State University, and the Michigan farm bureau to be proactive in human health concerns regarding the mutation and transmission of traditionally animal-borne diseases to the human population.

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, 2002, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 5% 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 annually 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 in consultation 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 2002-2003 of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

(4) By April 1, 2003, the department shall make available upon request a report to the senate or house of representatives appropriations subcommittee on community health, the senate or house fiscal agency, or the state budget director on the planned allocation of the funds appropriated for local public health operations.

Sec. 905. In implementing the new funding distribution methodology developed by the local public health operations funding formula workgroup, the department shall allocate to local health departments in fiscal year 2002-2003 no less than 100% of their fiscal year 2001-2002 allocation.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1001. 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.

Sec. 1002. (1) Provision of the school health education 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 health administration in the department of community health.

(d) The bureau of mental health and 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. 1005. From the funds appropriated in part 1 for physical fitness, nutrition, and health, up to $755,000.00, unless otherwise adjusted pursuant to section 263, 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. Contingent on the availability of additional funds appropriated for the cancer prevention and control program, including funds appropriated pursuant to section 263, $1,500,000.00 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 and cancer prevention services and activities, consistent with the current priorities of the Michigan cancer consortium.

Sec. 1009. From the funds appropriated in part 1 for the diabetes and kidney 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 not less than $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. Contingent on the availability of additional funds appropriated for the African-American male health initiative, the department may provide funding to support a pilot project for cancer prevention and early detection for high-risk African-American low-income men. The pilot project may be conducted by a group composed of the department, the Barbara Ann Karmanos Cancer Institute, and federally qualified health centers. Services that the pilot project may make available to uninsured or underinsured high-risk men, subject to informed consent, include screening for prostate cancer and colorectal cancer. Funds may be used for diagnostic services if screening results are abnormal and for treatment services if cancer is diagnosed.

Sec. 1013. Contingent on the availability of additional funds appropriated for the Michigan Parkinson's Foundation, funds may 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 Hospital and Health Center, Henry Ford Health System, and other organizations as appropriate.

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, $55,000.00, unless otherwise adjusted pursuant to section 263, shall be allocated for a childhood and adult arthritis program.

Sec. 1024. Funds may be allocated for spinal cord injury programs if federal funding becomes available.

Sec. 1025. From the funds appropriated in part 1 for the diabetes and kidney program, up to $50,000.00 shall be allocated to a Battle Creek diabetes and kidney prevention program.

Sec. 1026. Contingent on the availability of funds appropriated in part 1 for chronic disease prevention, funds may be provided for the David S. Holmes sickle cell anemia program and allocated to the Barbara Ann Karmanos Cancer Institute/Wayne State University and the Children's Hospital of Michigan.

Sec. 1027. Contingent on the availability of funds appropriated in part 1 for the African-American male health initiative, funds may be provided for the David S. Holmes sickle cell anemia program and allocated to the Barbara Ann Karmanos Cancer Institute/Wayne State University and the Children's Hospital of Michigan.

Sec. 1028. Contingent on the availability of funds appropriated in part 1 for the African-American male health initiative, funds may be allocated to the African-American male health initiative program at Henry Ford health system.

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 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.

(*v*) Total number of claims submitted by payer type, cost and number of services represented by the claims, and the payment rate by payer type.

(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.

(e) Establish and implement a process for billing Medicaid, Medicaid HMOs, and other third party payers. The billing and fee collection processes shall not breach the confidentiality of the client.

(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, the senate and house fiscal agencies, and the state budget director based on the information provided under subsection (1)(a). The report is due 90 days after the end of the calendar year.

Sec. 1104. Before April 1, 2003, the department shall submit a report to the house and senate fiscal agencies and the state budget director 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) Actual number of women, children, and/or adolescents served and amounts expended for each group for the fiscal year 2001-2002.

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, 2002, the department shall make available upon request a report to the senate or house of representatives appropriations subcommittee on community health or the senate or house of representatives standing committee on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures through September 30, 2002.

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 87% 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. Contingent on the availability of additional funds appropriated for special projects, including funds appropriated pursuant to section 263, 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. 1115. From the funds appropriated in part 1 for special projects, the department may allocate $200,000.00 for pilot grants to institutions of higher education to make available a network of resources and support services for students enrolled in the participating institution of higher education who are in need of pregnancy and parenting services.

The funds may also be utilized for administration of the grants and assessment of need. This appropriation may be established as a 3-year work project. For purposes of this section, "institution of higher education" means a university, college, or community college located in the state of Michigan.

Sec. 1120. The department shall allocate appropriate funds 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. Contingent on the availability of funds appropriated in part 1 for special projects, $150,000.00 may be allocated for the continuation of children's respite services that were funded in fiscal year 2000-2001.

Sec. 1124. (1) From the funds appropriated in part 1 from the federal maternal and child health block grant, $450,000.00 shall be allocated if additional block grant funds are available for the statewide fetal infant mortality review network.

(2) It is the intent of the legislature that this project shall be funded with a like amount in fiscal year 2003-2004 should federal funds become available.

Sec. 1128. The department shall make every effort to maximize the receipt of federal Medicaid funds to support the activities of the migrant health care line item.

Sec. 1129. The department shall provide a report annually 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 number of children with elevated blood lead levels. The report shall provide the information by county and shall include the level of blood lead reported.

Sec. 1133. The department shall release infant mortality rate data to all local public health departments no later than 48 hours prior to releasing infant mortality rate data to the public.

Sec. 1134. On the condition that there are unallocated funds remaining in the special projects line item, following the allotment of funds from this line item to existing programs that are required to be funded under this act, the department may provide $100,000.00 to the yellow ribbon suicide prevention program for an adolescent suicide and assessment pilot project.

Sec. 1135. (1) Pursuant to applicable federal law, the department shall implement a sponsor-to-alien deeming policy for all nonqualified or qualified aliens seeking services under any means-tested state-funded program.

(2) Prior to the effective date of the specified policy in subsection (1) but no sooner than October 1, 2002, the department shall seek reimbursement from the sponsors of record of any nonqualified or qualified alien who has received services under any means-tested state-funded program, unless the reimbursement is prohibited by federal law.

Sec. 1136. From the funds appropriated in part 1 for special projects, the department shall allocate a total of $1,100,000.00 to the child advocacy centers in this state, with $100,000.00 being allocated to each child advocacy center.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Sec. 1150. In administering the federal summer food service program for children, the department shall work to effectively utilize when possible resources and infrastructure that are in place for existing food programs administered by the department and other state agencies including the department of education.

Sec. 1151. The department may work with local participating agencies to define local annual contributions for the farmer's market nutrition program, project FRESH, to enable the department to request federal matching funds by April 1, 2003 based on local commitment of funds.

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.

CRIME VICTIM SERVICES COMMISSION

Sec. 1301. The per diem amount authorized for the crime victim services commission is $50.00.

Sec. 1302. From the funds appropriated in part 1 for justice assistance grants, up to $50,000.00 shall be allocated for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. The funds shall be used for program coordination, training, and counseling. Unexpended funds shall be carried forward.

Sec. 1303. (1) From the funds appropriated in part 1 for crime victim rights services grants, victims of criminal sexual assault shall be eligible to obtain reimbursement for the costs of any medically necessary services that may be needed for the collection of evidence used to identify, apprehend, and prosecute the offender or offenders, and that would otherwise be the financial responsibility of the victim.

(2) This section does not take effect unless Senate Bill No. 552 of the 91st Legislature is enacted into law, its effective date is a date in fiscal year 2002-2003, and it authorizes the reimbursements described in subsection (1).

Sec. 1304. The department shall work with the department of state police, the Michigan hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

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.

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 area agencies and local providers may receive and expend fees for the provision of day care, care management, respite care, and certain eligible home and community-based services. The fees shall be based on a sliding scale, taking client income into consideration. The fees shall be used to expand 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 1657 of 1998 PA 336 upon implementation of the plan. The use of the funds shall be for direct respite care or adult respite care center services. Not more than 10% of the amount allocated under this section shall be expended for administration and administrative purposes.

Sec. 1407. (1) The appropriation of $761,000.00 of tobacco settlement funds to the office of services to the aging for the long-term care advisor shall be allocated in accordance with a long-term care plan developed by the long-term care working group established in section 1657 of 1998 PA 336 upon implementation of the plan.

(2) Activities of the long-term care advisor shall support awareness for a continuum of care for older adults including assisted living arrangements, and shall promote and support family involvement.

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. 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. 1505. The department shall work with the department of career development to explore options available under the ticket to work and work incentives improvement act of 1999, Public Law 106-170, 113 Stat. 1860. The department shall provide a report on the options to extend health care coverage for working disabled persons under federal law by October 1, 2002.

Sec. 1507. Of the amount appropriated to medical services administration for the "Ticket to Work" initiative in 2000 PA 296, $50,000.00 shall be considered a work project. Those funds shall not lapse on September 30, 2002 and shall be carried forward for the purpose of supporting expenditures for the "Ticket to Work" initiative in fiscal year 2002-2003.

Sec. 1508. From funds appropriated in part 1 for MIChild administration, up to $200,000.00 shall be allocated to school district health center training and assistance in MIChild enrollment, delivery system coordination, and service reimbursement procedures.

MEDICAL SERVICES

Sec. 1601. 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. 1602. 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, 42 U.S.C. 1396a.

Sec. 1603. (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. 1604. (1) The department shall ascertain the steps required for federal approval to utilize the social security substantial gainful activity level as the state's Medicaid spend-down protected income level for nonelderly individuals receiving social security disability income.

(2) The department, after appropriate consultation with the federal government, shall project an annual cost to the department's budget if federal approval for the protected income level change referenced in subsection (1) were granted.

(3) Not later than March 1, 2003, the department shall report its findings regarding subsections (1) and (2) to the members of the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Sec. 1605. (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 and the state budget director of any proposed revisions to the protected income level for Medicaid coverage related to the public assistance standard 90 days prior to implementation.

Sec. 1606. 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. 1607. (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. 1608. The department shall update by October 1, 2002 and distribute by November 1, 2002 to health care providers the pamphlet identifying patient rights and responsibilities described in section 20201 of the public health code, 1978 PA 368, MCL 333.20201.

Sec. 1610. 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. 1611. (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. 1612. (1) It is the intent of the legislature that a uniform Medicaid and school-based services 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) HMOs that contract with the department to provide services to the Medicaid population shall adhere to the time frames for payment of clean claims as defined in section 111i(2)(a) of the social welfare act, 1939 PA 280, MCL 400.111i, submitted by health professionals and facilities and provide notice of any defect in claims submitted as specified in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i.

Sec. 1615. Unless prohibited by federal or state law or regulation, the department may require enrolled Medicaid providers to submit their billings for services electronically. The department shall also develop and implement a program that provides a mechanism for Medicaid providers to submit their billings for services over the Internet by April 1, 2003.

Sec. 1620. (1) For fee-for-service recipients, the pharmaceutical dispensing fee shall be $3.77 or the pharmacy's usual or customary cash charge, whichever is less.

(2) When carved-out of the capitation rate for managed care recipients, the pharmaceutical dispensing fee shall be $3.77 or the pharmacy's usual or customary cash charge or the usual charge allowed by the recipient's Medicaid HMO, whichever is less.

(3) The department shall require a prescription copayment for Medicaid recipients except as prohibited by federal or state law or regulation.

Sec. 1621. (1) 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 health and hospital association, and Michigan nurses' association.

(2) This section does not authorize or allow therapeutic substitution.

Sec. 1622. The department shall implement a pharmaceutical best practice initiative. All of the following apply to that initiative:

(a) A physician that calls the department's agent for prior authorization of drugs that are not on the department's preferred drug list shall be informed of the option to speak to the agent's physician on duty concerning the prior authorization request if the agent's pharmacist denies the prior authorization request. If immediate contact with the agent's physician on duty is requested, but cannot be arranged, the physician placing the call shall be immediately informed of the right to request a 72-hour supply of the nonauthorized drug.

(b) The department's prior authorization and appeal process shall be available on the department's website. The department shall also develop and implement a program that allows providers to file prior authorization and appeal requests electronically by October 1, 2002.

(c) The department shall provide authorization for prescribed drugs that are not on its preferred drug list if the prescribing physician verifies that the drugs are necessary for the continued stabilization of the patient's medical condition following documented previous failures on earlier prescription regimens. Documentation of previous failures may be provided by telephone, facsimile, or electronic transmission.

(d) Meetings of the department's pharmacy and therapeutics committee shall be open to the public with advance notice of the meeting date, time, place, and agenda posted on the department's website 14 days in advance of each meeting date. By January 31 of each year, the department shall publish the committee's regular meeting schedule for the year on the department's website. The pharmacy and therapeutics committee meetings shall be subject to the requirements of the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The committee shall provide an opportunity for interested parties to comment at each meeting following written notice to the committee's chairperson of the intent to provide comment.

(e) The pharmacy and therapeutics committee shall make recommendations for the inclusion of medications on the preferred drug list based on sound clinical evidence found in labeling, drug compendia, and peer-reviewed literature pertaining to use of the drug in the relevant population. The committee shall develop a method to receive notification and clinical information about new drugs. The department shall post this process and the necessary forms on the department's website.

(f) The department shall assure compliance with the published Medicaid bulletin implementing the Michigan pharmaceutical best practices initiative program. The department shall also include this information on its website.

(g) The department shall by March 15, 2003 provide to the members of the house and senate subcommittees on community health a report on the impact of the pharmaceutical best practice initiative on the Medicaid community. The report shall include, but not be limited to, the number of appeals used in the prior authorization process and any reports of patients who are hospitalized because of authorization denial.

(h) By May 15, 2003, the department shall provide a report to the members of the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies identifying the prescribed drugs that are grandfathered in as preferred drugs and available without prior authorization and the population groups to which they apply. The report shall assess strategies to improve the drug prior authorization process.

Sec. 1623. (1) The department shall continue the Medicaid policy that allows for the dispensing of a 100-day supply for maintenance drugs.

(2) The department shall notify all HMOs, physicians, pharmacies, and other medical providers that are enrolled in the Medicaid program that Medicaid policy allows for the dispensing of a 100-day supply for maintenance drugs.

(3) The notice in subsection (2) shall also clarify that a pharmacy shall fill a prescription written for maintenance drugs in the quantity specified by the physician, but not more than the maximum allowed under Medicaid, unless subsequent consultation with the prescribing physician indicates otherwise.

Sec. 1624. (1) An additional $20,000,000.00 from the tobacco settlement trust fund is appropriated to the elder prescription insurance coverage program for fiscal year 2002-2003 if the state budget director certifies that the federal funds appropriated to that program are unavailable and that sufficient tobacco settlement revenue is available to finance this appropriation. As used in this section, “tobacco settlement revenue” and “tobacco settlement trust fund” mean those terms as defined in section 2 of the Michigan trust fund act, 2000 PA 489, MCL 12.252.

(2) None of the tobacco settlement or other state restricted revenue appropriated by the department to the EPIC program in fiscal year 2001-2002 shall lapse.

(3) The department shall place any funds that would have lapsed in a reserve account for the sole purpose of providing revenue to fund the EPIC program during fiscal year 2002-2003, in the event the proposed federal revenue to enhance EPIC program funding is not available.

(4) If the proposed federal funds become available, the reserved tobacco settlement funds may either be lapsed to the tobacco settlement trust fund or the Medicaid trust fund.

Sec. 1627. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 U.S.C. 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to participants in state medical program, children’s special health care services, and EPIC.

(2) For products distributed by pharmaceutical manufacturers not providing quarterly rebates as listed in subsection (1), the department may require preauthorization.

Sec. 1628. It is the intent of the legislature that if the savings for Medicaid pharmacy rebates exceed the amount budgeted in this act, the savings shall first be used to offset any increase in pharmacy costs above that budgeted in this act and then to support and expand coverage under the EPIC program.

Sec. 1630. 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. 1631. 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. 1633. From the funds appropriated in part 1 for auxiliary medical services, the department shall expand the healthy kids dental program statewide if funds become available specifically for expansion of the program.

Sec. 1634. From the funds appropriated in part 1 for ambulance services, the department shall continue the 5% increase in payment rates for ambulance services implemented in fiscal year 2000-2001.

Sec. 1641. 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. 1643. 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 if the necessary Medicaid matching funds are provided by the universities as allowable state match.

Sec. 1645. (1) No later than October 31, 2002, the department shall implement a hospital adjustor formula. The adjustor shall be paid to eligible hospitals as a 27% increase in Medicaid inpatient, outpatient, and rehabilitation hospital rates. The adjustor shall be paid to nonaffiliated hospitals that meet any of the following conditions:

(a) The hospital is located in a county with a population under 250,000.

(b) The hospital is located in a municipality with a population under 10,000.

(c) As of July 1, 2002, the hospital had fewer than 75 beds. It is the intent of the legislature that disbursement of funds to hospitals affected by this adjustor commence on November 1, 2002 subject to the conditions set forth in subsection (2).

(2) Funding for this adjustor is contingent upon the passage of an amendment to the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, that increases the tax by at least 30 cents per pack and that the net revenue from this increase exceeds the amount currently allocated to balance the fiscal year 2001-2002 and fiscal year 2002-2003 state budgets. In no event shall the funding for the adjustor specified in subsection (1) exceed $6,000,000.00.

Sec. 1646. From the funds appropriated in part 1 for hospital services and therapy, the department shall allocate $1,000,000.00 to establish a hospital transitional services fund and make payments from the fund to hospitals to offset costs associated with closure of the facility, transition of the facility to an urgent care center, or transition of the facility to a federally qualified health center. Up to $250,000.00 from the hospital transitional services fund shall be allocated to the regional consortium that includes the Battle Creek Health System, Oaklawn Hospital, and the Albion Health Alliance.

Sec. 1647. From the funds appropriated in part 1 for hospital services, the department shall allocate for graduate medical education not less than the level of rates and payments in effect on April 1, 2002.

Sec. 1648. The department shall maintain an automated toll-free phone line to enable medical providers to verify the eligibility status of Medicaid recipients. There shall be no charge to providers for the use of the toll-free phone line.

Sec. 1649. From the funds appropriated in part 1 for medical services, the department shall continue breast and cervical cancer treatment coverage for women up to 250% of the federal poverty level, who are under age 65, and who are not otherwise covered by insurance. This coverage shall be provided to women who have been screened through the centers for disease control breast and cervical cancer early detection program, and are found to have breast or cervical cancer, pursuant to the breast and cervical cancer prevention and treatment act of 2000, Public Law 106-354, 114 Stat. 1381.

Sec. 1650. (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 HMOs 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 HMO enrollment 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 HMOs. 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. 1651. (1) Medical services patients who are enrolled in HMOs have the choice to elect hospice services or other services for the terminally ill that are offered by the HMOs. 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. 1653. Implementation and contracting for managed care by the department through HMOs 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 HMOs 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 of Medicaid beneficiaries living in counties defined as rural by the federal government, which is any nonurban standard metropolitan statistical area, is allowed if there is only 1 HMO serving the Medicaid population, as long as each Medicaid beneficiary is assured of having a choice of at least 2 physicians by the HMO.

(e) Enrollment of recipients of children's special health care services in HMOs shall be voluntary during fiscal year 2002-2003.

(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. 1654. (1) Medicaid HMOs 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 HMOs shall apply for accreditation by an appropriate external independent accrediting organization requiring standards recognized by the department once those HMOs have met the application requirements. The state shall accept accreditation of an HMO by an approved accrediting organization as proof that the HMO 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 HMOs 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 HMOs 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. HMOs shall continue to develop procedures for determining medical necessity which may include a prior authorization process.

(5) Medicaid HMOs shall provide for reimbursement of HMO covered services delivered other than through the HMO's providers if medically necessary and approved by the HMO, immediately required, and that could not be reasonably obtained through the HMO's providers on a timely basis. Such services shall be considered approved if the HMO 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 HMOs shall provide access to appropriate providers, including qualified specialists for all medically necessary services.

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

(8) Medicaid HMOs 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 HMOs shall provide procedures for hearing and resolving grievances between the HMO and members enrolled in the HMO on a timely basis.

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

(11) Medicaid HMOs 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. 1655. (1) The department may require a 12-month lock-in to the HMO 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 HMOs for any reason within the initial 90 days of enrollment.

Sec. 1656. (1) The department shall provide an expedited complaint review procedure for Medicaid eligible persons enrolled in HMOs 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) Annual 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, the state budget office, and the department's health plans advisory council.

Sec. 1657. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO 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 HMO prior to admitting the recipient.

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

(4) Prior to contracting with an HMO for managed care services that did not have a contract with the department before October 1, 2002, the department shall receive assurances from the office of financial and insurance services that the HMO meets the net worth and financial solvency requirements contained in chapter 35 of the insurance code, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1658. (1) It is the intent of the legislature that HMOs shall have contracts with hospitals within a reasonable distance from their enrollees. If a hospital does not contract with the HMO, in its service area, that hospital shall enter into a hospital access agreement as specified in the MSA bulletin Hospital 01-19.

(2) A hospital access agreement specified in subsection (1) shall be considered an affiliated provider contract pursuant to the requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1659. 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: 402, 404, 414, 418, 424, 427, 428, 431, 436, 442, 448, 1612, 1650, 1651, 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1699, 1704, and 1712.

Sec. 1660. (1) The department shall assure that all Medicaid children have timely access to EPSDT services as required by federal law. Medicaid HMOs shall provide EPSDT services to their child members in accordance with Medicaid EPSDT policy.

(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 shall 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 shall be reimbursed for the cost of providing these tests for Medicaid eligible children by the Medicaid program.

(3) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and health employer data and information set well child health measures in accordance with the National Committee on Quality Assurance prescribed methodology.

(4) The department shall require HMOs to be responsible for well child visits and maternal and infant support services as described in Medicaid policy. These responsibilities shall be specified in the information distributed by the HMOs to their members.

(5) The department shall provide, on an annual basis, budget neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of children and pregnant women.

Sec. 1661. (1) The department shall assure that all Medicaid eligible children and pregnant women have timely access to MSS/ISS services. Medicaid HMOs shall assure that maternal support service screening is available to their pregnant members and that those women found to meet the maternal support service high-risk criteria are offered maternal support services. Local health departments shall assure that maternal support service screening is available for Medicaid pregnant women not enrolled in an HMO and that those women found to meet the maternal support service high-risk criteria are offered maternal support services or are referred to a certified maternal support service provider.

(2) The department shall prohibit HMOs from requiring prior authorization of their contracted providers for any EPSDT screening and diagnosis service, for any MSS/ISS screening referral, or for up to 3 MSS/ISS service visits.

(3) The department shall assure the coordination of MSS/ISS services with the 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.

Sec. 1662. (1) The department shall require the external quality review contractor to conduct a review of all EPSDT components provided to children from a statistically valid sample of health plan medical records.

(2) The department shall provide a copy of the analysis of the Medicaid HMO annual audited health employer data and information set reports and the annual external quality review report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

(3) 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.

(4) The department shall provide training and technical assistance workshops on EPSDT and MSS/ISS for Medicaid health plans, local health departments, and MSS/ISS contractors.

Sec. 1663. (1) Local health departments and HMOs shall work with interested hospitals in their area on training and coordination to identify and make MSS/ISS referrals.

(2) Local health departments shall work with interested hospitals, school-based health centers, clinics, other community organizations, and local family independence agency offices in their area on training and coordination to distribute and facilitate the completion of MIChild and Healthy Kids application forms for persons who are potentially eligible for the program.

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 HMO, 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. 1671. 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. 1672. The department may provide up to 1 year of continuous eligibility to children eligible for the MIChild program unless the family fails to pay the monthly premium, a child reaches age 19, or the status of the children's family changes and its members no longer meet the eligibility criteria as specified in the federally approved MIChild state plan.

Sec. 1673. 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. 1674. The department shall not require copayments under the MIChild program.

Sec. 1675. Children 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. 1676. 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. 1677. The MIChild program shall provide all benefits available under the state employee insurance plan that are delivered through contracted providers 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. 1680. (1) It is the intent of the legislature that payment increases for enhanced wages and new or enhanced employee benefits provided through the Medicaid nursing home wage pass-through program in previous years be continued in fiscal year 2002-2003.

(2) The department shall provide a report to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies regarding the amount of nursing home employee wage and benefit increases provided through the nursing home wage pass-through program in fiscal year 2001-2002.

Sec. 1681. From the funds appropriated in part 1 for home- and community-based services, the department and local waiver agents shall encourage the use of family members, friends, and neighbors of home- and community-based services participants, where appropriate, to provide homemaker services, meal preparation, transportation, chore services, and other nonmedical covered services to participants in the Medicaid home- and community-based services program. This section shall not be construed as allowing for the payment of family members, friends, or neighbors for these services unless explicitly provided for in federal or state law.

Sec. 1682. (1) The department shall implement enforcement actions as specified in the nursing facility enforcement provisions of section 1919 of title XIX, 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. 1683. 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. 1684. From the funds appropriated in part 1 for long-term care services, the department shall make available up to 1/2 of the economic increase for a wage pass-through for nursing facilities solely for payment increases for enhanced wages and new or enhanced employee benefits. This funding shall be provided to those facilities that make application for it to fund the Medicaid program share of wage and employee benefit increases of 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. If a nursing home that makes application for and receives the additional funding for the wage pass-through cannot document that these wage and benefit increases were actually provided, its reimbursement rate shall be reduced by 2.5%.

Sec. 1684a. The wage pass-through in section 1684 shall only be effective if all the funding goes to worker wages and benefits, with none of the funding going to union fees or other fees.

Sec. 1685. 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. 1687. The long-term care working group established in section 1657 of 1998 PA 336 shall continue to exist to review the allocation of the long-term care innovations grant funding and to monitor the implementation of the demonstration projects being funded. 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. 1688. The department shall not impose a limit on per unit reimbursements to service providers that provide personal care or other services under the Medicaid home and community-based waiver program for the elderly and disabled. The department's per day per client reimbursement cap calculated in the aggregate for all services provided under the Medicaid home and community-based waiver is not a violation of this section.

Sec. 1689. (1) From the funds appropriated in part 1 for the home and community based services program, the department shall develop an allocation formula that will allow for coverage of no fewer than 15,000 individuals, or a smaller number of individuals if required under federal law.

(2) At the end of each fiscal quarter, the department shall compare actual usage to that predicted by the allocation formula. Based on that evaluation, the department may redistribute home and community based waiver program resources among the regional service providers.

(3) Priority in enrolling additional persons in the Medicaid home- and community-based services program shall be given to those who are currently residing in nursing homes or who are eligible to be admitted to a nursing home if they are not provided home- and community-based services. The department shall implement screening and assessment procedures to assure that no additional Medicaid-eligible persons are admitted to nursing homes who would be more appropriately served by the Medicaid home- and community-based services program. In each case where the program is successful in removing an individual from a nursing home, or prevents an individual from entering a nursing home who currently meets explicit medical criteria for admission to a nursing home, the department shall transfer the estimated amount of cost savings from the long-term care services line item to the home- and community-based waiver program line item. The department shall make these transfers on a quarterly basis.

(4) Within 30 days of the end of each fiscal quarter, the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that details existing and future allocations for the home and community based waiver program by regions as well as the associated expenditures.

Sec. 1690. (1) From the funds appropriated in part 1 for long-term care services, the department shall allocate $1,000,000.00 to a provider engaged in the continuum of care for long-term care services.

(2) The provider shall use the funds described in subsection (1) to establish a pilot project to assess whether a managed care approach to the full spectrum of long-term care services can provide an appropriate level of care at a lower cost than achieved through purchasing those services on an individual basis.

(3) The department in conjunction with the service providers shall develop criteria to assess the ability of this provider to maintain the individuals at the most appropriate level of care, to improve the total quality of care, to increase compliance with Olmstead v. L.C., 527 U.S. 581 (1999), and to reduce costs for the state's Medicaid program.

(4) The department shall provide bimonthly reports that detail the progress of this pilot project to the senate and house appropriations subcommittees on community health and to the senate and house fiscal agencies.

Sec. 1691. (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 and expand programs in counties that include rural, underserved areas if the expenditures for the programs do not increase state general fund/general purpose costs and local funds are provided.

Sec. 1692. (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. 1693. The special adjustor 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. 1694. 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. 1696. The department shall by October 1, 2002 complete a study calculating the benefits of a single magnetic card identification system that has the capability to interface with various state benefit programs, including, but not limited to, food stamps, WIC, cash assistance, and Medicaid, and to assist in the eligibility verification process.

Sec. 1697. (1) As may be allowed by federal law or regulation, the department may use funds provided by a local or intermediate school district, which have been obtained from a qualifying health system, as the state match required for receiving federal Medicaid or children health insurance program funds. Any such funds received shall be used only to support new school-based or school-linked health services.

(2) A qualifying health system is defined as any health care entity licensed to provide health care services in the state of Michigan, that has entered into a contractual relationship with a local or intermediate school district to provide or manage school-based or school-linked health services.

Sec. 1699. 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. 1700. The department shall not submit a Medicaid waiver or similar proposal to the federal centers for Medicare and Medicaid unless the proposal has been submitted to the house of representatives and senate appropriations subcommittees on community health at least 30 days before the submission to the federal government.

Sec. 1701. In addition to the funds appropriated in part 1, there is appropriated up to $6,600,000.00 to reestablish a nursing home quality care incentive program to provide financial incentives for nursing homes to develop high-quality care services. Grants under this section shall be awarded by the department to nursing homes that demonstrate an existing commitment to providing high-quality care. This appropriation is contingent upon the receipt of additional funds as a result of an increase in the federal Medicaid match rate above the fiscal year 2002-2003 rate of 55.42% and upon certification from the state budget director that the funds are available for expenditure.

Sec. 1702. From the funds appropriated in part 1 for long-term care services, the department shall work with local waiver agents to implement a pilot project that coordinates Medicaid home- and community-based services with section 8 rental assistance subsidies available through the Michigan state housing development authority. The purpose of the pilot project shall be to provide rent and supportive services to 100 persons in assisted living housing arrangements who otherwise would be eligible to receive nursing home care through the Medicaid program. The home- and community-based services days of care utilized for the pilot project shall be allocated from the existing allocation to local waiver agents for the current fiscal year.

Sec. 1703. From the funds appropriated in part 1 for long-term care services, the department shall allocate up to $200,000.00 to the Michigan association of centers for independent living for the accessing community-based support project, if additional funds become available for this purpose.

Sec. 1704. MSA bulletin Hospital 01-03 shall have all references to per diem payment deleted.

Sec. 1706. The department shall develop and implement a public information campaign regarding the pharmaceutical best practice initiative program.

Sec. 1709. From the funds appropriated in part 1 for medical services, the department shall allocate sufficient funds to each qualified county, as that term is defined in section 2 of the airport parking tax act, 1987 PA 248, MCL 207.372, to reimburse that county for the entire reduction in the amount of its distribution for indigent health care in fiscal year 2002-2003 from the amount of its distribution for indigent health care in fiscal year 2000-2001 resulting directly from any amendments to section 7 of the airport parking tax act, 1987 PA 248, MCL 207.377, in calendar year 2002 if House Bill No. 4454 of the 91st Legislature is enacted into law in fiscal year 2001-2002.

Sec. 1710. Any proposed changes by the department to the MIChoice home and community based services waiver program screening process shall be provided to the members of the house and senate appropriations subcommittees on community health at least 30 days prior to implementation of the proposed changes.

Sec. 1711. The department shall provide an annual program report to the members of the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies on the hospitalization utilization of Medicaid recipients by diagnostic related group.

Sec. 1712. Notwithstanding section 20161(13)(*l*) of the public health code, 1978 PA 368, MCL 333.20161, as added by 2002 PA 303, section 224b(2)(j) of the insurance code of 1956, 1956 PA 218, as added by 2002 PA 304, and section 20161(14)(i) of the public health code, 1978 PA 368, MCL 333.20161, if added by enactment of House Bill No. 5103 of the 91st Legislature, the fiscal year 2002-2003 appropriations for long-term care services, health maintenance organizations, hospital services and therapy, and Medicaid mental health services are as specified in this act.

Sec. 1713. A school, local school district, intermediate school district, or group or consortium of school districts that is entitled to receive any payments for any Medicaid school-based services, either administrative services or fees for service, shall receive reimbursement from the department if it certifies to the department that it has paid in full the amounts billed by any vendor that provided Medicaid billing services on that district's behalf during the period 1998 to 2002, inclusive, that would have been paid had the school district been reimbursed in full, irrespective of the settlement agreement in Michigan Department of Community Health v Centers for Medicare and Medicaid Services, departmental appeals board, United States department of health and human services, docket no. A-01-01 and A-02-01. A vendor may object to and challenge a district's certification of payment if the vendor believes that it has not received payment in full for all amounts it has billed to the district. In that event, the department shall withhold all reimbursements to the district until the vendor's objection is resolved to the satisfaction of the department.

Sec. 1714. The funding for hospital services and therapy in part 1 is predicated on the enactment into law of House Bill No. 5103 of the 91st Legislature. If House Bill No. 5103 is not enacted into law, gross appropriations for the Medicaid hospital services and therapy line item are reduced by $149,200,300.00.

Sec. 1715. Any additional funds that are available as a result of an increase in the federal Medicaid match rate above the fiscal year 2002-2003 rate of 55.42% that are not appropriated in section 449 or section 1701 shall be deposited in the Medicaid benefits trust fund established in the Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.256.

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

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2003; 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; and to provide for disposition of fees and other income received by the various state agencies.

Joel Gougeon
Dan L. DeGrow
Conferees for the Senate

Mickey Mortimer
Rick Johnson
Conferees for the House

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

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. 763 **Yeas—21**

Bennett	Gast	McCotter	Schwarz
Bullard	Gougeon	McManus	Sikkema
DeGrow	Hammerstrom	North	Steil

Dunaskiss	Hoffman	Sanborn	Stille
Emmons	Johnson	Schuette	Van Regenmorter
Garcia			

Nays—16

Byrum	Emerson	Leland	Scott
Cherry	Goschka	Miller	Shugars
DeBeaussaert	Hart	Murphy	Smith
Dingell	Koivisto	Peters	Young

Excused—1

Vaughn

Not Voting—0

In The Chair: Hoffman

The President pro tempore, Senator Schwarz, resumed the Chair.

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was not concurred in, 2/3 of the members serving not voting therefor.
Senator Emmons requested the yeas and nays.
The yeas and nays were ordered, 1/5 of the members present voting therefor.
The recommendation was concurred in, a majority of the members voting therefor, as follows:

Roll Call No. 764 **Yeas—36**

Bennett	Emmons	Koivisto	Schwarz
Bullard	Garcia	Leland	Scott
Byrum	Gast	McCotter	Shugars
Cherry	Goschka	McManus	Sikkema
DeBeaussaert	Gougeon	Miller	Smith
DeGrow	Hammerstrom	North	Steil
Dingell	Hart	Peters	Stille
Dunaskiss	Hoffman	Sanborn	Van Regenmorter
Emerson	Johnson	Schuette	Young

Nays—0

Excused—1

Vaughn

Not Voting—1

Murphy

In The Chair: Schwarz

Protests

Senators Shugars, Goschka, Smith and Cherry, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report to Senate Bill No. 1101.

Senator Shugars' statement, in which Senator Goschka concurred, is as follows:

I rise to vote "no" on this bill because of the fact that the conference committee took out section 1678 that says, "MIChild funds shall not be used to provide or promote any contraceptives to minors without parental consent." I believe that undermines the families in Michigan. I know that there is an argument that the federal government will sanction if we were to pass that, but the House of Representatives passed it with 72 Representatives supporting that language. I thought that we should be supporting that. We support our parents' rights, and I think this just undermines it.

I have been told also that the policy for the state employees for health care has the same verbiage that minors of employees who work for the state of Michigan, that the parents don't have to be notified for their children to get contraceptives. I think that undermines the family values that are so important to all of us, and so that's why I voted "no."

Senator Smith's statement is as follows:

I opposed the conference report in the conference committee, and I rise to ask my colleagues to oppose the conference report here on the floor. I recognize the work that Senator Joel Gougeon did both with the committee in our initial efforts to pass a bill that represented the needs of the citizens of the state of Michigan, and I understand the pressures and the constraints he was under because of targets and because of other issues in the passage of a conference report.

However, the Democrats offered a willingness to cooperate with the Republicans in creating and stabilizing our revenue stream so that we wouldn't have to make any of these cuts at all. Those efforts were rejected. We suggested that we could avoid these catastrophic cuts by agreeing to an increase in the cigarette tax of 15 cents and a delay in the single business tax and the income tax cuts. Again, those efforts were rejected.

So I think it's important for people to know what's being cut here in this budget. In the committee, we asked to have the clerk read the cuts, and we were told that the cuts had been read at the beginning of the committee meeting and they wouldn't be read again. But I want you to understand that as Senator Gougeon pointed out, we have reduced a Healthy Michigan program by 50 percent, and among those programs that were eliminated or drastically reduced were the African American Male Health Initiative. Why is that important? It's important because we have chronic health disease problems that can be prevented and can be rectified within that population, and when we don't do any preventive education or any screenings, we are, in fact, opening ourselves up to greater costs. Cancer prevention and control dollars were substantially reduced—$1.5 million throughout this budget. Child and adult arthritis grants were reduced; diabetes control was reduced; epidemiology dollars were reduced; obesity initiatives—it's not like we're the thinnest state in the world. We are, in fact, among the top five of the fattest in the nation. But those initiatives were reduced—pregnancy prevention programs, school health and education programs. Those that keep our youngsters on a healthy path that teaches them prevention and that also help eliminate early teen pregnancies are being reduced or eliminated. Smoking prevention programs—you know, those things for which the tobacco cases were initiated and the settlement was devised. Violence prevention and worksite wellness are being reduced.

For the want of leadership and a lack of vision and for the absence of compassion, programs which have contributed to improving health for adults, seniors, and children around the state will, for all practical purposes, be gone. This administration, through its unwillingness to work with the Democratic Party and to do the things that need to be done to stabilize a revenue stream that not only takes care of the current budget that we are working on here today, but takes care of a problem of approximately a billion dollars in the '03-'04 budget—this body with inadequate or invisible leadership has decided that it's best to just "get out of Dodge" because we're term limited, and we don't have to be responsible for what we leave behind for the next Legislature.

I would like to commend the chairman of the Appropriations Committee for having more foresight than that and for having more responsibility as we seek to go forward with a budget for this year and into the future. Senator Gast has taken what I consider to be a real valuable leadership role, and I'm sorry he is not being heard.

I urge my colleagues again to vote against this bill. It relies on a cigarette tax of 30 cents for contingency replacement of cuts. That 30-cent tax is not going to happen, and it is dishonest to send a budget forward that tells the citizens of the state of Michigan that something can possibly happen that will make this all better when we know that a Band-Aid is not available, and it's a totally unrealistic assumption. The Senate Fiscal Agency analysis says that this budget is based on many assumptions, and we all know the definition of "to assume."

I urge my colleagues to vote "no."

Senator Cherry's statement is as follows:

I rise in opposition of the adoption of the conference report and in support of my colleague from Ann Arbor. I do want to commend the good chairman of the subcommittee, the Senator from Bay County, because he obviously did put a lot of hard work and a lot of time and effort into this budget. He tried to accomplish things that many thought weren't possible. He put together many good ideas, and I am proud to say that members of my caucus provided a majority of those votes for the surcharge that he talked about. They did that because they thought that he was right, and he was trying to accomplish the right things here. He has also been very courageous in trying to put forward his cigarette tax proposal, but the bottom line is that this budget is based on a false pretense. It has growth rates that are not practical, even with the adoption of the cigarette tax.

We would have to be back here, either this fall or later in November, trying to redo this budget. The good Senator from the 24th District is exactly right. This budget is not the final product because the fiscal situation is much more difficult, much more severe than the one we are talking about here today. This budget and all of the other little proposals that have emerged are simply designed to get us by either the primary or by the general election. They are not the real solution.

It seems to me, Mr. President, that as many of us are in our last term, we could, in fact, adopt a real budget, a real solution, and on that basis, I chose to vote "no." I am willing to work on a solution that gets us beyond the primary, that gets us beyond the general election, and that gets us into next year so for those who follow us will have something to work with. They are going to have some very dire circumstances to deal with. We don't need to make it worse by adopting a budget that is nothing more than a shell game. I would urge that the conference report be defeated.

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

The motion prevailed.

Senator Schwarz's statement, in which Senator Byrum concurred, is as follows:

The state of Michigan is heavily involved in the business of health care, and this budget really doesn't address the health care responsibilities that the state has. I will probably reluctantly vote in favor of the budget not because I think it's a good budget, but because I get the impression that the Legislature is gradually coming to the realization that this budget is probably going to be a short-term budget. At some point, perhaps after November or early in the new Legislature when things look far more dire than they look now, this budget will have to be redone.

We're heavily in the medical insurance business with 100,000 new Medicaid recipients, more or less, in the economic downturn who have to be taken care of. The Medicaid structure is not particularly good, despite the good faith efforts of numbers of people to put together a Medicaid system that will do the job in Michigan.

The Healthy Michigan Fund cuts are, to put it lightly, catastrophic. Those include the cancer monies for Wayne State University, Michigan State University, and the University of Michigan. And so it goes. Either this Legislature or the new Legislature is going to learn that the biggest issue—unless the United States goes to war, God forbid—for the next five years is going to be health care, how to provide it, and how to pay for it. If we don't recognize our responsibility—recognize the numbers of dollars it is going to take; recognize that if we don't have the revenue to do it right now; recognize that we're probably going to have to raise the cigarette tax; recognize that we're probably going to have to pause the income tax cuts and the SBT cuts to pay for some of these things—if we don't recognize that now, that recognition sadly will come down the road, and we will have to go back and redo this budget, which I think is a foregone conclusion.

So I'll vote for the budget because I guess it gets a budget on the books that we have to work with and a budget on the books that we will unquestionably have to revise in very large ways. I would only ask all of my colleagues, both sides of the aisle—both chambers—to understand that we are so horribly underfunded as far as health care is concerned in this budget and will be even more horribly underfunded next year that this budget absolutely will have to in the fullness of time be redone.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Emmons moved that the rules be suspended and that the following bills, now on the order of General Orders, be placed on their immediate passage:

Senate Bill No. 1320

Senate Bill No. 1322

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

Senator Emmons moved that the following bills be placed at the head of the Third Reading of Bills calendar:

House Bill No. 4462

Senate Bill No. 1320

Senate Bill No. 1322

The motion prevailed.

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

The following bill was read a third time:

House Bill No. 4462, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 101 (MCL 388.1701), as amended by 2002 PA 191.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 765 **Yeas—37**

Bennett	Garcia	Leland	Schwarz
Bullard	Gast	McCotter	Scott
Byrum	Goschka	McManus	Shugars
Cherry	Gougeon	Miller	Sikkema
DeBeaussaert	Hammerstrom	Murphy	Smith
DeGrow	Hart	North	Steil
Dingell	Hoffman	Peters	Stille
Dunaskiss	Johnson	Sanborn	Van Regenmorter
Emerson	Koivisto	Schuette	Young
Emmons			

Nays—0

Excused—1

Vaughn

Not Voting—0

In The Chair: Hoffman

Senator Emmons moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to prescribe penalties; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

The President pro tempore, Senator Schwarz, resumed the Chair.

The following bill was read a third time:

Senate Bill No. 1320, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," (MCL 211.1 to 211.157) by adding section 9i.

The question being on the adoption of the following committee substitute:

Substitute (S-3).

The substitute was not adopted, a majority of the members serving not voting therefor.

Senator Stille offered the following substitute:

Substitute (S-5).

The substitute was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 766 **Yeas—37**

Bennett	Garcia	Leland	Schwarz
Bullard	Gast	McCotter	Scott
Byrum	Goschka	McManus	Shugars
Cherry	Gougeon	Miller	Sikkema
DeBeaussaert	Hammerstrom	Murphy	Smith
DeGrow	Hart	North	Steil
Dingell	Hoffman	Peters	Stille
Dunaskiss	Johnson	Sanborn	Van Regenmorter
Emerson	Koivisto	Schuette	Young
Emmons			

Nays—0

Excused—1

Vaughn

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

The following bill was read a third time:
Senate Bill No. 1322, entitled
A bill to amend 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145) by adding section 39e.
The question being on the adoption of the following committee substitute:
Substitute (S-3).
The substitute was not adopted, a majority of the members serving not voting therefor.

Senator Emmons offered the following substitute:
Substitute (S-5).
The substitute was adopted, a majority of the members serving voting therefor.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 767 **Yeas—37**

Bennett	Garcia	Leland	Schwarz
Bullard	Gast	McCotter	Scott
Byrum	Goschka	McManus	Shugars
Cherry	Gougeon	Miller	Sikkema
DeBeaussaert	Hammerstrom	Murphy	Smith
DeGrow	Hart	North	Steil
Dingell	Hoffman	Peters	Stille
Dunaskiss	Johnson	Sanborn	Van Regenmorter
Emerson	Koivisto	Schuette	Young
Emmons			

Nays—0

Excused—1

Vaughn

Not Voting—0

In The Chair: Schwarz

The Senate agreed to the title of the bill.

By unanimous consent the Senate proceeded to the order of
Introduction and Referral of Bills

Senators Hart, Peters, DeBeaussaert and Smith introduced
Senate Bill No. 1376, entitled
A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 3 of chapter XI (MCL 711.3), as added by 2000 PA 111.
The bill was read a first and second time by title and referred to the Committee on Families, Mental Health and Human Services.

Senators Garcia, Miller, Bullard, Johnson, Dingell, Byrum, Goschka and Bennett introduced
Senate Bill No. 1377, entitled
A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," (MCL 28.421 to 28.435) by adding section 5p.
The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senator Johnson introduced
Senate Bill No. 1378, entitled
A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 537 and 1025 (MCL 436.1537 and 436.2025), section 537 as amended by 2001 PA 223.
The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senator Peters introduced
Senate Bill No. 1379, entitled
A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9948) by adding section 2975.
The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Bennett, Sikkema, Sanborn, Garcia, Johnson, Schuette, McManus, North, Hammerstrom and Byrum introduced
Senate Bill No. 1380, entitled
A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 80124a.
The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

House Bill No. 6070, entitled

A bill to create and provide for the operation of the Michigan next energy authority; to provide for the creation and appointment of a board to govern the authority and to prescribe its powers and duties; to provide for the powers and duties of the authority; to extend protections against certain liabilities to the authority; to authorize the conveyance of state land and to confer authority and jurisdiction over state land to the authority; to provide for the issuance of certain bonds, notes, and other obligations; to facilitate the use and development of authority property; to promote alternative energy technology and economic growth; to authorize the acquisition, maintenance, and disposal of interests in real and personal property; to provide for the conveyance of land transferred to the authority; to convey state land; and to exempt property, income, and operations of an authority from tax.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Finance.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Emmons moved that the following bill, now on the order of Third Reading of Bills, be referred to the Committee on Judiciary:

House Bill No. 5314, entitled

A bill to amend 1978 PA 397, entitled "Bullard-Plawecki employee right to know act," (MCL 423.501 to 423.512) by amending the title and by adding section 9a.

The motion prevailed.

The following communication was received and read:

Office of the Senate Majority Leader

June 18, 2002

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the second conference committee for the following bill:

Senate Bill 1104 Senator Bennett, Chair
Senator Hoffman
Senator Young

Sincerely,
Dan L. DeGrow
Senate Majority Leader

The communication was referred to the Secretary for record.

By unanimous consent the Senate returned to the order of

Messages from the House

House Bill No. 5645, 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, 2003; 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 appointed Reps. Toy, Shulman and Switalski as second conferees to join with Senators Goschka, Gougeon and Murphy.

The message was referred to the Secretary for record.

By unanimous consent the Senate returned to the order of

Conference Reports

FIRST CONFERENCE REPORT

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

House Bill No. 5642, entitled

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

Reports that the conferees agree to disagree.

Mike Pumford
Jerry Vander Roest
Clarence Phillips
Conferees for the House

George A. McManus, Jr.
Harry Gast
Don W. Koivisto
Conferees for the Senate

By unanimous consent the Senate returned to the order of

Messages from the House

House Bill No. 5642, entitled

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

The House of Representatives has appointed Reps. Pumford, Vander Roest and Phillips as second conferees.

The message was referred to the Secretary for record.

By unanimous consent the Senate returned to the order of

Motions and Communications

The following communication was received and read:

Office of the Senate Majority Leader

June 18, 2002

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the second conference committee for the following bill:

House Bill 5642 Senator McManus
Senator Hoffman
Senator Koivisto

Sincerely,
Dan L. DeGrow
Senate Majority Leader

The communication was referred to the Secretary for record.

Senator Emmons moved that consideration of the following bill, now on the order of Messages from the House, be postponed for today:

Senate Bill No. 1099

The motion prevailed.

By unanimous consent the Senate proceeded to the order of

Resolutions

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

Senate Resolution No. 235
Senate Resolution No. 236
Senate Resolution No. 237
Senate Resolution No. 238
Senate Resolution No. 239

The resolution consent calendar was adopted.

Senator Young offered the following resolution:

Senate Resolution No. 235.

A resolution to honor Pastor Edgar L. Vann, Jr., of Second Ebenezer Baptist Church on his 25th Pastoral Anniversary.

O love the Lord, all ye his saints: for the Lord preserveth
the faithful, and plentifully rewardeth the proud doer.
—Psalm 31:23

Whereas, It is a great pleasure and a personal privilege to honor Pastor Edgar L. Vann, Jr., of Second Ebenezer Baptist Church in Detroit as he celebrates his 25th Pastoral Anniversary. Throughout his years as pastor, he has been both a spiritual leader and a friend to his congregation and community, and we are deeply appreciative of his efforts and good works in the name of the Lord; and

Whereas, Twenty-five years is a long time to serve the needs of others. Pastor Vann has remained committed. He has dedicated his life to serving God and has in the process become a shepherd of God's flock. His record includes teaching, preaching, encouraging, and uplifting; and

Whereas, Just as he has committed himself to his flock, so too has he devoted himself to the leadership of many state, local, and community organizations, such as the Henry Ford Health System, the Eastside Emergency Shelter, Inc., the Wayne County Economic Development Corporation, the Michigan Civil Rights Commission, and Wayne State University Research & Technology Park, thereby opening doors to many people for growth. We deeply appreciate all of the sacrifices he has made over the years; now, therefore, be it

Resolved by the Senate, That we hereby give praise and accolade to Pastor Edgar L. Vann, Jr., of Second Ebenezer Baptist Church in recognition of his 25th Pastoral Anniversary; and be it further

Resolved, That a copy of this resolution be transmitted to Pastor Edgar L. Vann, Jr., for we are indeed grateful for his many contributions to the people of this state and most pleased that of all the places in the world, he chose Michigan for his heavenly mission.

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

Senator Young offered the following resolution:

Senate Resolution No. 236.

A resolution to memorialize and celebrate the life of Dorothy VanSteenkiste.

Whereas, It is with great respect that we offer this resolution to honor the memory of Dorothy VanSteenkiste. With deep sadness we learned of the passing of Dorothy, a dedicated and caring person who enriched the lives of many. With genuine regard for her legacy of accomplishment, we join with the community in extending our condolences to her family and many friends. She will be sincerely missed and long remembered; and

Whereas, Dorothy VanSteenkiste exhibited great leadership and expertise in her work with the American Theatre Organ Society (ATOS) and its Motor City chapter. She served for 13 years on the ATOS board of directors where she initiated many important and beneficial programs. She also served on the board of Detroit's chapter. Dorothy worked diligently to advance the theatre organ and its music, giving 25 years of her talent and enthusiasm to the industry; and

Whereas, The Motor City Theatre Organ Society managed the Redford Theatre. Dorothy worked fervently in the restoration project of the theatre, was instrumental in its revival, and produced successful evening concerts. Her hard work has given the community a beautiful theatre which will be enjoyed by many for years to come; and

Whereas, Always giving, Dorothy gave of her time and talents to many community organizations including successful fundraisers with the Cancer Foundation, the Leukemia Foundation, and the American Heart Association. She was also active with the League of Women Voters and served as a private secretary for the vice presidents of both the Chrysler Corporation and the Detroit Bank and Trust Company; and

Whereas, A devoted mother and wife, Dorothy's family can most certainly take pride in her work and her many accomplishments. With her commitment to our youth, she formed the Young Organists' Competition program which provided many young organists an opportunity to showcase their talent; and

Whereas, The life of Dorothy VanSteenkiste is a study in the power of hard work, dedication, and commitment to her career, her family, her community, and her state. Her unselfishness and her willingness to assist others in kind and generous ways will always be remembered. We are clearly grateful for her achievements, which will continue to help Michigan in the future. Indeed, she was a woman who always made others smile; now, therefore, be it

Resolved by the Senate, That we hereby honor and celebrate the exemplary life of Dorothy VanSteenkiste. May her husband Ray, her children, and other members of her family know of our respect and gratitude for her outstanding contributions; and be it further

Resolved, That a copy of this resolution be transmitted to Dorothy VanSteenkiste's family as a tribute and symbol of the high regard in which her memory is held by the people of Michigan.

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

Senator Byrum offered the following resolution:

Senate Resolution No. 237.

A resolution honoring Clarence Underwood upon the occasion of his retirement.

Whereas, It is with deep appreciation for his dedication to serving and inspiring others that we offer this expression of appreciation to Clarence Underwood; and

Whereas, Clarence Underwood is the epitome of a learned man. Clarence graduated from Carver High School in 1953, where he excelled in baseball, football, and track. After service in the United States Army, he attended and graduated from Michigan State University with a Bachelor of Science degree in physical education. In 1965, Clarence earned his master's degree in physical education and counseling from Michigan State University. He went on to become Dr. Underwood when he earned his Ph.D. in administration and higher education also from Michigan State University; and

Whereas, Dr. Underwood has imparted knowledge to countless young people. As a physical education teacher for elementary and junior high schools in the East Lansing School District, Clarence taught children the importance of good physical and mental health. Over the years, Dr. Underwood brought his talents to Northern Michigan University, the University of Wisconsin extension program in Milwaukee, the Michigan Department of Education, and served as the deputy commissioner of the Big Ten Conference; and

Whereas, Dr. Underwood's tenure in the Michigan State University Athletic Department spans 30 years and includes several positions. In 1994, Clarence was appointed senior associate athletic director, where he served as the department point person for all student-athlete welfare issues. In his two years at the helm of the Michigan State University Athletic Department, Dr. Underwood led the Spartans to two of the most successful years in the school's history. Most recently in 1999, Dr. Underwood was appointed as Michigan State University's athletic director; and

Whereas, Clarence has also been an active community leader. During the summer of 1968, he worked for Dr. Martin Luther King's Southern Christian Leadership Conference in Chicago. He was responsible for finding jobs for disadvantaged adults who were learning to read and write. In his tenure with the Big Ten Conference, he initiated the popular Big Ten SCORE (Success Comes Out of Reading Everyday) program for inner-city youth; and

Whereas, Dr. Clarence Underwood has accomplished many great things in his life. He is an astounding teacher, incredible leader, and an extraordinary person. Those who have had the indelible honor of knowing him are forever changed; now, therefore, be it

Resolved by the Senate, That we hereby honor Dr. Clarence Underwood for his many accomplishments and upon the occasion of his retirement; and be it further

Resolved, That a copy of this resolution be transmitted to Dr. Clarence Underwood as a symbol of our appreciation and gratitude for his distinguished career and the high esteem in which he is held by the Michigan Senate.

Senator DeBeaussaert was named co-sponsor of the resolution.

Senator Byrum offered the following resolution:

Senate Resolution No. 238.

A resolution commemorating the 100th Anniversary of the Foster, Swift, Collins & Smith, P.C., law firm.

Whereas, In June 2002, the Foster, Swift, Collins & Smith, P.C., law firm will celebrate its 100th Anniversary. It was founded in 1902 by Walter S. Foster; and

Whereas, It is with deep appreciation of the significance of this milestone that we commend the attorneys and staff of Foster, Swift, Collins & Smith, P.C., as they mark the 100th Anniversary of the founding of this exemplary law firm. Headquartered in the city of Lansing, we are proud to recognize the important role this business has played in contributing to the lives of countless citizens and businesses throughout Michigan; and

Whereas, In 1902, Walter S. Foster was admitted to practice law in Michigan and opened his office in small quarters in what is currently known as North Town in Lansing. Over the next 38 years, the law firm relocated within Lansing to meet the growing demands of the firm; and

Whereas, This law firm has continued to grow and thrive from a small two-man operation to Lansing's largest law firm. Foster, Swift, Collins & Smith, P.C., is now the 20th largest law firm in the state of Michigan, with nearly 90 lawyers and office locations in both Lansing and Farmington Hills; and

Whereas, In looking back over the l00-year history of Foster, Swift, Collins & Smith, P.C., it is clear that this law firm has set its course with a continuing look to the future. The firm has generously supported its Michigan communities and has contributed to countless organizations and causes. We are grateful for all that it has contributed to Lansing and all of Michigan; now, therefore, be it

Resolved by the Senate, That we commemorate the 100th Anniversary of Foster, Swift, Collins & Smith, P.C. We salute them on this happy occasion and wish them well in the years to come; and be it further

Resolved, That a copy of this resolution be transmitted to Foster, Swift, Collins & Smith, P.C., as a token of our esteem.

Senators Hoffman, Miller, DeBeaussaert, Bullard, Sanborn and Hart offered the following resolution:

Senate Resolution No. 239.

A resolution to honor the Detroit Red Wings for winning the 2002 Stanley Cup.

Whereas, With the greatest hockey team ever assembled, led by the most successful, winning coach in the history of the sport, and claiming their tenth Stanley Cup, the Detroit Red Wings are to be congratulated for their determination and overwhelming defensive play by defeating the Carolina Hurricanes for the championship win on June 13, 2002; and

Whereas, The Detroit Red Wings also brought home the Stanley Cup to the city that deserves to be the home of the Stanley Cup Champions - Hockeytown, U.S.A.; and

Whereas, This is a hockey team that will go down in the history books as the number one team for Hall of Fame members who with team effort brought about the team's success by foregoing individual recognition to ensure the victory of the whole team; and

Whereas, In truly memorable and determined playoff fashion in a series against the Vancouver Canucks, St. Louis Blues, and their bitter rival Colorado Avalanche, the Detroit Red Wings displayed tremendous patience, skill, and discipline in reaching the Stanley Cup Finals; and

Whereas, In a Stanley Cup final series, the Red Wings never faltered and carried a dream from last October to the last game in June, where they crushed their final foe, the Carolina Hurricanes, who were vanquished; now, therefore, be it

Resolved by the Senate, That we hereby honor and congratulate the 2002 NHL Stanley Cup Champions, the Detroit Red Wings; and be it further

Resolved, That a copy of this resolution be transmitted to the superb owners, Mike and Marian Ilitch, General Manager Ken Holland, Head Coach Scotty Bowman and his entire coaching staff, the outstanding players, and the entire Detroit Red Wings organization as evidence of our highest esteem and congratulations.

Senators Scott, Young, Smith, Dingell, Miller, Leland and Emerson offered the following concurrent resolution:

Senate Concurrent Resolution No. 65.

A concurrent resolution stating that the city of Highland Park is required to reduce general services because of economic conditions and is eligible to request road patrol and related policing services from the Wayne County Sheriff's Department.

Whereas, Section 76 of Chapter 14 of the Revised Statutes of 1846, Of County Officers, being MCL § 51.76, provides for a city to request and receive from the county sheriff's department road patrol and related policing services under certain conditions. Under this section of law, a city or village can request and the sheriff's department may provide road patrol and related policing services along county primary and county local roads and state trunk line highways within the city's boundaries; and

Whereas, A request for the county sheriff road patrol and related policing services would be prohibited under certain conditions. A concurrent resolution adopted by the Legislature can affirm a general reduction of services within the city is due to economic conditions; and

Whereas, The city must request the services through a resolution from its legislative body to the county board of commissioners. This section of law also provides the following:

> "A concurrent resolution adopted by a majority vote of the Senate and the House of Representatives which states that the city or village is required to reduce general services because of economic conditions and is not reducing law enforcement services shall be presumptive that the city or village has not violated the strictures of this subsection."

Highland Park's economic conditions meet the requirements of these provisions; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That, pursuant to MCL § 51.76, the members of the Michigan Legislature state that Highland Park is required to reduce general services due to economic conditions and is eligible to request county road patrol and related policing services from the Wayne County Sheriff's Department; and be it further

Resolved, That copies of this resolution be transmitted to the Wayne County Board of Commissioners, the Wayne County Sheriff's Department, and the city of Highland Park.

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

Senator Emmons 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 concurrent resolution,

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

The motion prevailed.

Committee Reports

The Committee on Families, Mental Health and Human Services reported

House Bill No. 6004, entitled

A bill to amend 1982 PA 295, entitled "Support and parenting time enforcement act," by amending sections 2, 3, 25a, 25b, and 28 (MCL 552.602, 552.603, 552.625a, 552.625b, and 552.628), section 2 as amended by 1999 PA 160, section 3 as amended by 2001 PA 106, and sections 25a and 25b as added and section 28 as amended by 1998 PA 334, and by adding sections 5c, 25c, 25d, 25e, 25f, 25g, 25h, and 25i.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

Beverly S. Hammerstrom
Chairperson

To Report Out:

Yeas: Senators Hammerstrom, Gougeon, Johnson, Goschka and Sanborn

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Families, Mental Health and Human Services reported

House Bill No. 6006, entitled

A bill to amend 1982 PA 295, entitled "Support and parenting time enforcement act," by amending sections 2, 31, 32, 33, and 35 (MCL 552.602, 552.631, 552.632, 552.633, and 552.635), section 2 as amended by 1999 PA 160, sections 31 and 32 as amended by 2000 PA 442, and sections 33 and 35 as amended by 1998 PA 334.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

Beverly S. Hammerstrom
Chairperson

To Report Out:

Yeas: Senators Hammerstrom, Gougeon, Johnson, Goschka and Sanborn

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Families, Mental Health and Human Services reported

House Bill No. 6007, entitled

A bill to amend 1982 PA 295, entitled "Support and parenting time enforcement act," by amending sections 2, 41, 42, 44, and 45 (MCL 552.602, 552.641, 552.642, 552.644, and 552.645), section 2 as amended by 1999 PA 160, sections 41 and 42 as amended by 1996 PA 25, and sections 44 and 45 as amended by 1998 PA 334, and by adding section 42a.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

Beverly S. Hammerstrom
Chairperson

To Report Out:

Yeas: Senators Hammerstrom, Gougeon, Johnson, Goschka and Sanborn

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Families, Mental Health and Human Services reported

House Bill No. 6008, entitled

A bill to amend 1971 PA 174, entitled "Office of child support act," by amending sections 1, 3, and 9 (MCL 400.231, 400.233, and 400.239), section 1 as amended and section 9 as added by 1999 PA 161 and section 3 as amended by 1998 PA 112, and by adding section 10.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

Beverly S. Hammerstrom
Chairperson

To Report Out:

Yeas: Senators Hammerstrom, Gougeon, Johnson and Goschka

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Families, Mental Health and Human Services reported

House Bill No. 6009, entitled

A bill to amend 1982 PA 294, entitled "Friend of the court act," by amending sections 2, 2a, and 17d (MCL 552.502, 552.502a, and 552.517d), section 2 as amended by 1998 PA 63, section 2a as amended by 1999 PA 150, and section 17d as amended by 1996 PA 144, and by adding sections 11a and 11b.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

Beverly S. Hammerstrom
Chairperson

To Report Out:

Yeas: Senators Hammerstrom, Gougeon, Johnson, Goschka and Sanborn

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Families, Mental Health and Human Services reported

House Bill No. 6010, entitled

A bill to amend 1982 PA 295, entitled "Support and parenting time enforcement act," by amending section 2 (MCL 552.602), as amended by 1999 PA 160, and by adding section 5d.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

Beverly S. Hammerstrom
Chairperson

To Report Out:

Yeas: Senators Hammerstrom, Gougeon, Johnson, Goschka and Sanborn

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Families, Mental Health and Human Services reported

House Bill No. 6011, entitled

A bill to amend 1982 PA 294, entitled "Friend of the court act," by amending sections 2, 2a, 5, 9, 11, 13, 15, 17, 17b, 17c, and 26 (MCL 552.502, 552.502a, 552.505, 552.509, 552.511, 552.513, 552.515, 552.517, 552.517b, 552.517c, and 552.526), section 2 as amended by 1998 PA 63, sections 2a and 9 as amended by 1999 PA 150, section 5 as amended by 1996 PA 365, section 11 as amended by 1996 PA 266, section 13 as amended by 1996 PA 144, section 17 as amended and sections 17b and 17c as added by 1994 PA 37, and section 26 as amended by 1996 PA 366, and by adding section 5a; and to repeal acts and parts of acts.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

Beverly S. Hammerstrom
Chairperson

To Report Out:

Yeas: Senators Hammerstrom, Gougeon, Johnson and Goschka

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Families, Mental Health and Human Services reported

House Bill No. 6012, entitled

A bill to amend 1982 PA 295, entitled "Support and parenting time enforcement act," by amending sections 2, 3, 3a, 4, 5a, 7, 10, 17, 19, 24, 24a, and 26 (MCL 552.602, 552.603, 552.603a, 552.604, 552.605a, 552.607, 552.610, 552.617, 552.619, 552.624, 552.624a, and 552.626), section 2 as amended by 1999 PA 160, sections 3 and 26 as amended and section 5a as added by 2001 PA 106, section 3a as amended by 1996 PA 120, sections 4, 7, 17, and 19 as amended and section 24a as added by 1998 PA 334, and section 24 as added by 1985 PA 210, and by adding section 3c.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

Beverly S. Hammerstrom
Chairperson

To Report Out:

Yeas: Senators Hammerstrom, Gougeon, Johnson, Goschka and Sanborn

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Families, Mental Health and Human Services reported

House Bill No. 6017, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," (MCL 400.1 to 400.119b) by adding section 43b.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

Beverly S. Hammerstrom
Chairperson

To Report Out:

Yeas: Senators Hammerstrom, Gougeon, Johnson, Goschka and Sanborn

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Consumer and Industry Services (HB 5644) submitted the following:
Meeting held on Thursday, June 13, 2002, at 8:30 a.m., House Appropriations Room, 3rd Floor, Capitol Building
Present: Senators Bennett, Stille and Young

COMMITTEE ATTENDANCE REPORT

The Conference Committee on History, Art, and Libraries (HB 5647) submitted the following:
Meeting held on Thursday, June 13, 2002, at 8:30 a.m., House Appropriations Room, 3rd Floor, Capitol Building
Present: Senators Bennett, Stille and Young

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Career Development Strategic Fund Agency (HB 5643) submitted the following:
Meeting held on Thursday, June 13, 2002, at 9:00 a.m., House Appropriations Room, 3rd Floor, Capitol Building
Present: Senators Johnson, Stille and Dingell

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Education (SB 1103) submitted the following:
Meeting held on Thursday, June 13, 2002, at 9:30 a.m., Room 110, Farnum Building
Present: Senators Stille (C), Bennett and DeBeaussaert

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Agriculture (HB 5642) submitted the following:
Meeting held on Thursday, June 13, 2002, at 10:00 a.m., Room 326, South Tower, House Office Building
Present: Senators McManus, Gast and Koivisto

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Family Independence Agency (HB 5645) submitted the following:
Meeting held on Thursday, June 13, 2002, at 10:00 p.m., Room 424, Capitol Building
Present: Senators Goschka and Gougeon
Excused: Senator Murphy

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Natural Resources (SB 1106) submitted the following:
Meeting held on Thursday, June 13, 2002, at 11:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building
Present: Senators McManus (C), Gast and Koivisto

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Environmental Quality (SB 1104) submitted the following:
Meeting held on Thursday, June 13, 2002, at 11:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building
Present: Senators Bennett (C), Gast and DeBeaussaert

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Judiciary (HB 5648) submitted the following:
Meeting held on Tuesday, June 18, 2002, at 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building
Present: Senators North, Goschka and Dingell

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Environmental Quality (SB 1104) submitted the following:
Meeting held on Tuesday, June 18, 2002, at 10:00 a.m., Rooms 402 and 403, Capitol Building
Present: Senators Bennett (C), Gast and DeBeaussaert

Scheduled Meetings

Conference Committees -

Environmental Quality (SB 1104) - Wednesday, June 19, 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-7350)

General Government (HB 5646) - Wednesday, June 19, 9:30 a.m., Room 326, South Tower, House Office Building (373-1783)

State Police (HB 5650) - Wednesday, June 19, 10:00 a.m., Room 428, Capitol Building (373-0832)

Transportation (HB 5651) - Wednesday, June 19, 8:30 a.m., Room 424, Capitol Building (373-2629)

Senator Emmons moved that the Senate adjourn.
The motion prevailed, the time being 4:42 p.m.

The President pro tempore, Senator Schwarz, declared the Senate adjourned until Wednesday, June 19, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate.