

No. 77  
STATE OF MICHIGAN  
**Journal of the Senate**  
95th Legislature  
REGULAR SESSION OF 2010

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Senate Chamber, Lansing, Tuesday, September 21, 2010.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor John D. Cherry, Jr.

The roll was called by the Secretary of the Senate, who announced that a quorum was not present.

Allen—present  
Anderson—present  
Barcia—present  
Basham—present  
Birkholz—present  
Bishop—present  
Brater—present  
Brown—present  
Cassis—present  
Cherry—present  
Clark-Coleman—present  
Clarke—present  
Cropsey—present

Garcia—present  
George—present  
Gilbert—present  
Gleason—present  
Hardiman—present  
Hunter—present  
Jacobs—present  
Jansen—present  
Jelinek—present  
Kahn—present  
Kuipers—present  
McManus—present  
Nofs—present

Olshove—present  
Pappageorge—present  
Patterson—present  
Prusi—present  
Richardville—present  
Sanborn—present  
Scott—present  
Stamas—present  
Switalski—present  
Thomas—present  
Van Woerkom—present  
Whitmer—present

Reverend Bonnie Frey of Lulu United Methodist Church of Ida offered the following invocation:

We pray that those who are given the privilege and responsibility of leadership find within themselves the goodness and humility to reach inside and find that spark that God has put there. Find that spark; refresh that spark. Reach across the barriers, the mountains of details, the aisleways, the desks of each other; reach through confusion. Reach out and seek a better understanding of each other, for it is in seeking understanding that we ourselves are better understood.

Let all your work be for the purpose of bringing the mighty state of Michigan back to life. Never take your task so lightly that you forget your God-given spark. He wants you to hear His words, seek His reasoning, and find His love. May you always seek the word of God in all you do. Listen for His words all day.

This room full of leaders says amen.

The President, Lieutenant Governor Cherry, led the members of the Senate in recital of the *Pledge of Allegiance*.

### Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 10:05 a.m.

10:42 a.m.

The Senate was called to order by the President, Lieutenant Governor Cherry.

During the recess, Senators Birkholz, Scott, Hunter, Clarke, Brown, McManus, Sanborn, Allen and Garcia entered the Senate Chamber.

A quorum of the Senate was present.

### Motions and Communications

Senator Cropsey moved that consideration of the motion to discharge the Committee on Government Operations from further consideration of the following resolution be postponed for today:

**Senate Resolution No. 172**

The motion prevailed.

Senator Cropsey moved that rule 2.106 be suspended to allow committees to meet during Senate session.  
The motion prevailed, a majority of the members serving voting therefor.

### Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 10:43 a.m.

11:36 a.m.

The Senate was called to order by the President, Lieutenant Governor Cherry.

During the recess, Senators Stamas, Bishop, Kuipers, Gilbert, Hardiman, Pappageorge, Van Woerkom, Nofs, Jelinek, George, Cassis and Jansen entered the Senate Chamber.

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

September 16, 2010

Pursuant to Joint Rule 3, the House having non-concurred in the Senate substitute (S-7) to House Bill 4932, appoints the following members to sit on the conference committee:

Senator Alan Sanborn  
Senator Randy Richardville  
Senator Buzz Thomas

Thank you for your prompt consideration of this matter.

Respectfully yours,  
Michael D. Bishop  
Majority Leader  
State Senate, 12th District

The communication was referred to the Secretary for record.

The following communications were received and read:  
Office of the Auditor General

September 10, 2010

Enclosed is a copy of the following audit report:

Follow-up of the performance audit of the Qualified Voter File and Digital Driver's License Systems, Department of State and Department of Technology, Management & Budget.

September 14, 2010

Enclosed is a copy of the following audit report:

Financial audit of the Michigan Justice Training Fund, Michigan Commission on Law Enforcement Standards, Michigan Department of State Police, for the period October 1, 2007 through September 30, 2009.

Auditor General

The audit reports were referred to the Committee on Government Operations.

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, September 16:

**House Bill Nos. 4996 6389 6390 6421 6426 6427**

The Secretary announced the enrollment printing and presentation to the Governor on Friday, September 17, for her approval the following bills:

**Enrolled Senate Bill No. 1258 at 10:40 a.m.**

**Enrolled Senate Bill No. 1259 at 10:42 a.m.**

**Enrolled Senate Bill No. 1154 at 3:45 p.m.**

**Enrolled Senate Bill No. 1151 at 3:47 p.m.**

The Secretary announced that the following official bills and joint resolutions were printed on Thursday, September 16, and are available at the legislative website:

**Senate Bill Nos. 1494 1495 1496 1497 1498 1499**

**Senate Joint Resolution CC**

**House Bill Nos. 6436 6437 6438 6439 6440 6441 6442 6443 6444 6445 6446 6447 6448**

**House Joint Resolutions LLL MMM**

The Secretary announced that the following official bills were printed on Friday, September 17, and are available at the legislative website:

**House Bill Nos. 6449 6450 6451 6452 6453 6454 6455 6456 6457 6458 6459 6460 6461**

By unanimous consent the Senate proceeded to the order of

**General Orders**

Senator Cropsey 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, Lieutenant Governor Cherry, designated Senator Anderson as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**House Bill No. 5473, 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," by amending section 12 (MCL 28.432), as amended by 2008 PA 195.

**House Bill No. 5520, 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," by amending section 2a (MCL 28.422a), as amended by 2008 PA 194.

**Senate Bill No. 1499, entitled**

A bill to amend 1885 PA 152, entitled "An act to authorize the establishment of facilities for former members of the armed forces of the United States in the state of Michigan; to create funds; and to provide for the promulgation of rules," by amending section 11 (MCL 36.11), as amended by 1982 PA 391.

**Senate Bill No. 1476, entitled**

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 254 (MCL 168.254), as amended by 1999 PA 218.

**Senate Bill No. 1477, entitled**

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 267 (MCL 168.267).

**Senate Bill No. 1478, entitled**

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 269 (MCL 168.269), as amended by 1990 PA 7.

The bills were placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**Senate Bill No. 1108, entitled**

A bill to amend 1909 PA 283, entitled "An act to revise, consolidate, and add to the laws relating to the establishment, opening, discontinuing, vacating, closing, altering, improvement, maintenance, and use of the public highways and private roads; the condemnation of property and gravel therefor; the building, repairing and preservation of bridges; maintaining public access to waterways under certain conditions; setting and protecting shade trees, drainage, and cutting weeds and brush within this state; providing for the election or appointment and defining the powers, duties, and compensation of state, county, township, and district highway officials; and to prescribe penalties and provide remedies," by amending sections 6 and 8 of chapter IV (MCL 224.6 and 224.8), section 6 as amended by 2006 PA 598 and section 8 as amended by 1994 PA 320.

Substitute (S-3).

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:  
**Senate Bill No. 1109, entitled**

A bill to amend 1966 PA 261, entitled “An act to provide for the apportionment of county boards of commissioners; to prescribe the size of the board; to provide for appeals; to prescribe the manner of election of the members of the county board of commissioners; to provide for compensation of members; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” by amending section 3 (MCL 46.403).

Substitute (S-1).

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

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**Senate Bill No. 1110, entitled**

A bill to amend 1954 PA 116, entitled “Michigan election law,” by amending sections 252, 254, 267, and 269 (MCL 168.252, 168.254, 168.267, and 168.269), section 254 as amended by 1999 PA 218 and section 269 as amended by 1990 PA 7.

Substitute (S-1).

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

By unanimous consent the Senate returned to the order of  
**Third Reading of Bills**

Senator Cropsey moved that the following bills be placed at the head of the Third Reading of Bills calendar:

**Senate Bill No. 165**

**Senate Bill No. 478**

**Senate Bill No. 1432**

The motion prevailed.

The following bill was read a third time:

**Senate Bill No. 165, entitled**

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending sections 621 and 622 (MCL 257.621 and 257.622), section 622 as amended by 2003 PA 66.

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. 422**

**Yeas—38**

Allen	Clark-Coleman	Jansen	Prusi
Anderson	Clarke	Jelinek	Richardville
Barcia	Cropsey	Kahn	Sanborn
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Nofs	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry	Jacobs		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 478, entitled**

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," (MCL 791.201 to 791.285) by adding section 7b.

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. 423****Yeas—38**

Allen	Clark-Coleman	Jansen	Prusi
Anderson	Clarke	Jelinek	Richardville
Barcia	Cropsey	Kahn	Sanborn
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Nofs	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry	Jacobs		

**Nays—0****Excused—0****Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 1432, entitled**

A bill to amend 1939 PA 280, entitled "The social welfare act," (MCL 400.1 to 400.119b) by adding section 57v.

The question being on the passage of the bill,

Senator Hardiman offered the following amendments:

1. Amend page 1, line 1, after "**WITH**" by inserting "**THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET AND**".

2. Amend page 1, line 2, after "**SERVICES**" by striking out "**WHO ARE WILLING TO PARTICIPATE**".

The amendments were 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. 424****Yeas—38**

Allen	Clark-Coleman	Jansen	Prusi
Anderson	Clarke	Jelinek	Richardville
Barcia	Cropsey	Kahn	Sanborn
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Nofs	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry	Jacobs		

**Nays—0****Excused—0****Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

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

The motion prevailed.

Senator Hardiman's statement is as follows:

I rise to speak in favor of Senate Bill No. 1432. It would require state government to work with ATM suppliers to ban the distribution of assistance payments at casinos. We found that in California many recipients of welfare assistance were withdrawing payments at casinos, and we believe this offers the opportunity to use those assistance payments for something other than what they are meant for, which is basic needs.

I introduced this bill so that we would prevent that behavior in Michigan. We have not found how much has been withdrawn from casinos, but we do have records given to us by the department for the Motor City Casino and Hotel. We found that in the year between September 1, 2009, to August 31, 2010, \$87,340 in assistance payments were withdrawn. Therefore, we think this bill is much-needed. We need to preserve the public confidence in our welfare system and safeguard the use of public funds. Everyone needs a little help at one point. Most taxpayers are willing to provide for that. However, that support quickly changes when there is even the appearance of fraud or abuse.

I appreciate the body taking this amendment up, and I certainly appreciate the support and work with ATM providers. I also appreciate working with Chairman Richardville and the committee for their quick action on scheduling the bill. I ask for the body's support.

By unanimous consent the Senate proceeded to the order of

**Statements**

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

The motion prevailed.

Senator Scott's statement is as follows:

An unknown author once said, "When you start looking around for something good to take the place of the bad, as a general rule you can find it." This certainly rings true when it comes to auto insurance reform. It is not hard to figure out what we should drop from our no-fault insurance law.

It will be good for Michigan drivers when we finally, once and for all, eliminate and insurance companies' ability to use a credit score to determine the cost of a policy. It will be good for Michigan drivers when insurance companies charge rates based on a person's driving record rather than their address. It will be good for Michigan drivers when insurance is fair and affordable, and they will no longer have to try and drive without insurance because they simply cannot afford the cost. It will be good for drivers when insurance companies pay attention to reports that show that theft and accidents are down in many communities. It will be good for Michigan drivers when insurance companies listen to our major newspapers who have editorialized on the unfair practices insurance companies use to determine rates, such as credit scores.

It will be good for Michigan drivers when we finally pass meaningful auto insurance reform legislation, and it will be good for our citizens when Governor Granholm signs that legislation into law.

Senator Garcia's statement is as follows:

As you may recall, I was absent last week away on military duty. On September 14 and 15, I missed a number of votes. On Roll Call Nos. 408-421, I would have voted "yes."

By unanimous consent the Senate returned to the order of

### **Introduction and Referral of Bills**

Senator Jacobs introduced

#### **Senate Bill No. 1500, entitled**

A bill to amend 1943 PA 240, entitled "State employees' retirement act," (MCL 38.1 to 38.69) by adding section 19k.

The bill was read a first and second time by title and referred to the Committee on Appropriations.

Senator Switalski introduced

#### **Senate Bill No. 1501, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 20101 (MCL 324.20101), as amended by 1996 PA 383, and by adding sections 20121 and 20122.

The bill was read a first and second time by title and referred to the Committee on Education.

Senator Van Woerkom introduced

#### **Senate Bill No. 1502, entitled**

A bill to amend 2008 PA 295, entitled "Clean, renewable, and efficient energy act," by amending section 93 (MCL 460.1093).

The bill was read a first and second time by title and referred to the Committee on Local, Urban and State Affairs.

#### **House Bill No. 4996, entitled**

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 534, 537, 603, and 1027 (MCL 436.1534, 436.1537, 436.1603, and 436.2027), sections 537 and 1027 as amended and section 534 as added by 2008 PA 218 and section 603 as amended by 2009 PA 2.

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 Economic Development and Regulatory Reform.

#### **House Bill No. 6389, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 14 of chapter XI (MCL 771.14), as amended by 2000 PA 279.

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 Judiciary.

#### **House Bill No. 6390, entitled**

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," by amending section 29 (MCL 791.229), as amended by 1998 PA 512.

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 Judiciary.



**House Bill No. 6421, entitled**

A bill to amend 1995 PA 29, entitled "Uniform unclaimed property act," by amending sections 3, 5, 6, 7, 8, 8a, 13, 15, 17, and 18 (MCL 567.223, 567.225, 567.226, 567.227, 567.228, 567.228a, 567.233, 567.235, 567.237, and 567.238), section 15 as amended by 2008 PA 208 and section 18 as amended by 1997 PA 195.

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 Appropriations.

**House Bill No. 6426, entitled**

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 205, 525, 543, 609, 901, 903, 909, and 1027 (MCL 436.1205, 436.1525, 436.1543, 436.1609, 436.1901, 436.1903, 436.1909, and 436.2027), section 205 as amended by 2001 PA 274, sections 525 and 1027 as amended by 2008 PA 218, section 543 as amended by 2005 PA 269, section 901 as amended by 2008 PA 11, and section 903 as amended by 2000 PA 431, and by adding sections 1029 and 1031.

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.

Senator Cropsey moved that rule 3.203 be suspended and that the bill be referred to the Committee of the Whole and placed on the order of General Orders.

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

**House Bill No. 6427, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 159g (MCL 750.159g), as amended by 2009 PA 82.

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.

Senator Cropsey moved that rule 3.203 be suspended and that the bill be referred to the Committee of the Whole and placed on the order of General Orders.

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

By unanimous consent the Senate returned to the order of

**Conference Reports**

Senator Kahn submitted the following:

FIRST CONFERENCE REPORT

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

**Senate Bill No. 1152, 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, 2011; 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 Senate and House agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2011; 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

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, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF COMMUNITY HEALTH**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions..... 6.0

	For Fiscal Year Ending Sept. 30, 2011
Full-time equated classified positions .....	4,393.8
Average population .....	893.0
<b>GROSS APPROPRIATION</b> .....	<b>\$ 14,124,179,800</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	54,020,800
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 14,070,159,000</b>
Federal revenues:	
Total other federal revenues .....	8,823,755,700
Total federal revenues (ARRA) .....	650,327,000
Special revenue funds:	
Total local revenues .....	235,104,200
Total private revenues .....	88,103,600
Merit award trust fund .....	86,457,600
Total other state restricted revenues .....	1,764,889,500
State general fund/general purpose .....	<b>\$ 2,421,521,400</b>
<b>Sec. 102. DEPARTMENTWIDE ADMINISTRATION</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	175.2
Director and other unclassified—6.0 FTE positions .....	\$ 583,900
Departmental administration and management—165.2 FTE positions .....	22,421,800
Departmentwide health projects (ARRA) .....	5,000,000
Worker's compensation program .....	8,855,200
Rent and building occupancy .....	10,862,500
Developmental disabilities council and projects—10.0 FTE positions .....	2,825,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 50,548,800</b>
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	13,747,000
Federal revenues (ARRA) .....	5,000,000
Special revenue funds:	
Total private revenues .....	35,900
Total other state restricted revenues .....	2,507,400
State general fund/general purpose .....	<b>\$ 29,258,500</b>
<b>Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS</b>	
Full-time equated classified positions .....	107.5
Mental health/substance abuse program administration—106.5 FTE positions .....	\$ 13,669,800
Gambling addiction—1.0 FTE position .....	3,000,000
Protection and advocacy services support .....	194,400
Community residential and support services .....	1,893,500
Highway safety projects .....	400,000
Federal and other special projects .....	2,497,200
Family support subsidy .....	19,470,500
Housing and support services .....	9,306,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 50,432,200</b>
Federal revenues:	
Total federal revenues .....	35,287,800
Special revenue funds:	
Total private revenues .....	190,000
Total other state restricted revenues .....	3,000,000
State general fund/general purpose .....	<b>\$ 11,954,400</b>
<b>Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS</b>	
Full-time equated classified positions .....	9.5
Medicaid mental health services .....	\$ 2,019,515,600
Community mental health non-Medicaid services .....	282,275,100

	For Fiscal Year Ending Sept. 30, 2011
Medicaid adult benefits waiver.....	\$ 41,386,000
Mental health services for special populations .....	6,873,800
Medicaid substance abuse services.....	41,174,800
CMHSP, purchase of state services contracts.....	127,730,800
Civil service charges .....	1,499,300
Federal mental health block grant—2.5 FTE positions.....	15,384,700
State disability assistance program substance abuse services .....	2,243,100
Community substance abuse prevention, education and treatment programs .....	83,515,200
Children’s waiver home care program.....	21,049,800
Nursing home PAS/ARR-OBRA—7.0 FTE positions.....	12,144,700
Children with serious emotional disturbance waiver.....	7,188,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 2,661,980,900</b>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services.....	1,769,000
Federal revenues:	
Total other federal revenues .....	1,493,564,500
Federal FMAP stimulus (ARRA).....	116,024,300
Special revenue funds:	
Total local revenues.....	25,228,900
Total other state restricted revenues .....	22,280,600
State general fund/general purpose .....	\$ 1,003,113,600

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

Total average population.....	893.0
Full-time equated classified positions .....	2,590.5
Caro Regional Mental Health Center - psychiatric hospital - adult—468.3 FTE positions.....	\$ 55,012,200
Average population .....	185.0
Kalamazoo Psychiatric Hospital - adult—483.1 FTE positions.....	53,272,000
Average population .....	189.0
Walter P. Reuther Psychiatric Hospital - adult—433.3 FTE positions.....	49,818,900
Average population .....	234.0
Hawthorn Center - psychiatric hospital - children and adolescents—230.9 FTE positions.....	25,809,600
Average population .....	75.0
Center for forensic psychiatry—578.6 FTE positions.....	64,206,000
Average population .....	210.0
Forensic mental health services provided to the department of corrections—396.3 FTE positions.....	50,527,800
Revenue recapture .....	750,000
IDEA, federal special education.....	120,000
Special maintenance .....	332,500
Purchase of medical services for residents of hospitals and centers.....	445,600
Gifts and bequests for patient living and treatment environment .....	1,000,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 301,294,600</b>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of corrections.....	50,527,800
Federal revenues:	
Total other federal revenues .....	28,582,800
Federal FMAP stimulus (ARRA).....	1,580,500
Special revenue funds:	
CMHSP, purchase of state services contracts.....	127,730,800
Other local revenues .....	16,824,700
Total private revenues.....	1,000,000
Total other state restricted revenues .....	15,655,900
State general fund/general purpose .....	\$ 59,392,100

For Fiscal Year  
Ending Sept. 30,  
2011

**Sec. 106. PUBLIC HEALTH ADMINISTRATION**

Full-time equated classified positions .....	91.7	
Public health administration—7.3 FTE positions.....		\$ 1,475,800
Minority health grants and contracts—3.0 FTE positions .....		1,111,000
Promotion of healthy behaviors.....		975,900
Public health projects (ARRA).....		5,000,000
Vital records and health statistics—81.4 FTE positions .....		9,238,900
<b>GROSS APPROPRIATION</b> .....		<u>\$ 17,801,600</u>
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of human services.....		1,148,200
Federal revenues:		
Total other federal revenues .....		4,946,900
Federal revenues (ARRA) .....		5,000,000
Special revenue funds:		
Total private revenues.....		300,000
Total other state restricted revenues .....		5,232,500
State general fund/general purpose .....		<u>\$ 1,174,000</u>

**Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS**

Full-time equated classified positions .....	441.6	
Health systems administration—199.6 FTE positions .....		\$ 21,322,200
Emergency medical services program state staff—8.5 FTE positions .....		1,308,300
Radiological health administration—21.4 FTE positions.....		3,060,800
Emergency medical services grants and services .....		660,000
Health professions—157.0 FTE positions .....		25,978,300
Background check program—5.5 FTE positions .....		2,705,400
Health policy and regulation—30.2 FTE positions .....		3,728,100
Nurse scholarship, education, and research program—3.0 FTE positions.....		1,727,800
Certificate of need program administration—14.0 FTE positions .....		2,008,400
Rural health services—1.0 FTE position .....		1,407,400
Michigan essential health provider.....		872,700
Primary care services—1.4 FTE positions .....		4,349,300
Primary care services (ARRA).....		5,000,000
<b>GROSS APPROPRIATION</b> .....		<u>\$ 74,128,700</u>
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority.....		116,300
Federal revenues:		
Total other federal revenues .....		26,298,800
Federal revenues (ARRA) .....		5,000,000
Special revenue funds:		
Total local revenues.....		100,000
Total private revenues.....		455,000
Total other state restricted revenues .....		31,772,400
State general fund/general purpose .....		<u>\$ 10,386,200</u>

**Sec. 108. INFECTIOUS DISEASE CONTROL**

Full-time equated classified positions .....	50.7	
AIDS prevention, testing, and care programs—12.7 FTE positions .....		\$ 54,441,000
Immunization local agreements.....		13,725,200
Immunization program management and field support—15.0 FTE positions.....		2,094,900
Pediatric AIDS prevention and control—1.0 FTE position.....		1,231,300
Sexually transmitted disease control local agreements .....		3,360,700
Sexually transmitted disease control management and field support—22.0 FTE positions .....		3,735,700
<b>GROSS APPROPRIATION</b> .....		<u>\$ 78,588,800</u>

For Fiscal Year  
Ending Sept. 30,  
2011

Appropriated from:	
Federal revenues:	
Total other federal revenues .....	\$ 43,433,200
Special revenue funds:	
Total private revenues .....	22,707,700
Total other state restricted revenues .....	9,575,500
State general fund/general purpose .....	\$ 2,872,400
<b>Sec. 109. LABORATORY SERVICES</b>	
Full-time equated classified positions .....	109.0
Laboratory services—109.0 FTE positions .....	\$ 16,839,300
<b>GROSS APPROPRIATION</b> .....	\$ 16,839,300
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of natural resources and environment .....	459,500
Federal revenues:	
Total federal revenues.....	\$ 1,818,100
Special revenue funds:	
Total other state restricted revenues .....	7,949,500
State general fund/general purpose .....	\$ 6,612,200
<b>Sec. 110. EPIDEMIOLOGY</b>	
Full-time equated classified positions .....	127.7
AIDS surveillance and prevention program .....	\$ 2,254,100
Asthma prevention and control—2.6 FTE positions .....	857,100
Bioterrorism preparedness—68.6 FTE positions.....	49,169,900
Epidemiology administration—39.0 FTE positions .....	8,043,300
Lead abatement program—7.0 FTE positions.....	2,436,000
Newborn screening follow-up and treatment services—10.5 FTE positions .....	4,730,600
Tuberculosis control and prevention.....	867,000
<b>GROSS APPROPRIATION</b> .....	\$ 68,358,000
Appropriated from:	
Federal revenues:	
Total federal revenues.....	61,002,200
Special revenue funds:	
Total private revenues.....	25,000
Total other state restricted revenues .....	5,559,100
State general fund/general purpose .....	\$ 1,771,700
<b>Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS</b>	
Essential local public health services .....	\$ 39,082,800
Implementation of 1993 PA 133, MCL 333.17015 .....	20,000
Local health services .....	600,000
Medicaid outreach cost reimbursement to local health departments.....	9,000,000
<b>GROSS APPROPRIATION</b> .....	\$ 48,702,800
Appropriated from:	
Federal revenues:	
Total federal revenues.....	9,500,000
Special revenue funds:	
Total local revenues .....	5,150,000
Total other state restricted revenues .....	100,000
State general fund/general purpose .....	\$ 33,952,800
<b>Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION</b>	
Full-time equated classified positions .....	75.5
Alzheimer's information network.....	\$ 99,500
Cancer prevention and control program—12.0 FTE positions.....	14,555,100
Chronic disease control and health promotion administration—33.4 FTE positions.....	6,664,800
Diabetes and kidney program—12.2 FTE positions.....	2,570,100

	For Fiscal Year Ending Sept. 30, 2011
Injury control intervention project .....	\$ 200,000
Public health traffic safety coordination—1.0 FTE position.....	287,500
Smoking prevention program—14.0 FTE positions .....	4,643,600
Violence prevention—2.9 FTE positions.....	1,676,700
GROSS APPROPRIATION .....	\$ 30,697,300
Appropriated from:	
Federal revenues:	
Total federal revenues.....	23,014,000
Special revenue funds:	
Total private revenues.....	61,600
Total other state restricted revenues .....	5,804,900
State general fund/general purpose .....	\$ 1,816,800
<b>Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES</b>	
Full-time equated classified positions .....	53.6
Childhood lead program—6.0 FTE positions.....	\$ 1,593,500
Dental programs—3.0 FTE positions .....	992,600
Dental program for persons with developmental disabilities .....	151,000
Early childhood collaborative secondary prevention.....	100
Family, maternal, and children's health services administration—43.6 FTE positions .....	5,851,600
Family planning local agreements.....	9,085,700
Local MCH services .....	7,018,100
Pregnancy prevention program .....	1,707,300
Prenatal care outreach and service delivery support .....	50,100
School health and education programs—1.0 FTE position.....	405,500
Special projects.....	4,665,200
Sudden infant death syndrome program.....	321,300
GROSS APPROPRIATION .....	\$ 31,842,000
Appropriated from:	
Federal revenues:	
Total federal revenues.....	26,533,600
Special revenue funds:	
Total local revenues .....	75,000
Total other state restricted revenues .....	1,505,200
State general fund/general purpose .....	\$ 3,728,200
<b>Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM</b>	
Full-time equated classified positions .....	45.0
Women, infants, and children program administration and special projects—45.0 FTE positions.....	\$ 13,597,400
Women, infants, and children program local agreements and food costs .....	253,825,500
GROSS APPROPRIATION .....	\$ 267,422,900
Appropriated from:	
Federal revenues:	
Total federal revenues.....	208,812,700
Special revenue funds:	
Total private revenues.....	58,610,200
State general fund/general purpose .....	\$ 0
<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES (CSHCS)</b>	
Full-time equated classified positions .....	47.8
Children's special health care services administration—45.0 FTE positions.....	\$ 5,081,000
Bequests for care and services—2.8 FTE positions .....	1,511,400
Outreach and advocacy.....	3,773,500
Nonemergency medical transportation .....	2,679,300
Medical care and treatment .....	241,368,200
GROSS APPROPRIATION .....	\$ 254,413,400

For Fiscal Year  
Ending Sept. 30,  
2011

Appropriated from:	
Federal revenues:	
Total other federal revenues .....	\$ 142,332,700
Federal FMAP stimulus (ARRA) .....	9,686,700
Special revenue funds:	
Total private revenues .....	996,800
Total other state restricted revenues .....	3,839,600
State general fund/general purpose .....	\$ 97,557,600
<b>Sec. 116. CRIME VICTIM SERVICES COMMISSION</b>	
Full-time equated classified positions .....	11.0
Grants administration services—11.0 FTE positions .....	\$ 1,539,800
Justice assistance grants .....	13,000,000
Crime victim rights services grants .....	12,500,000
GROSS APPROPRIATION .....	\$ 27,039,800
Appropriated from:	
Federal revenues:	
Total federal revenues .....	16,563,700
Special revenue funds:	
Total other state restricted revenues .....	10,476,100
State general fund/general purpose .....	\$ 0
<b>Sec. 117. OFFICE OF SERVICES TO THE AGING</b>	
Full-time equated classified positions .....	43.5
Office of services to aging administration—43.5 FTE positions .....	\$ 7,073,600
Community services .....	34,269,400
Nutrition services .....	35,360,200
Foster grandparent volunteer program .....	2,233,600
Retired and senior volunteer program .....	627,300
Senior companion volunteer program .....	1,604,400
Employment assistance .....	3,792,500
Respite care program .....	5,868,700
GROSS APPROPRIATION .....	\$ 90,829,700
Appropriated from:	
Federal revenues:	
Total federal revenues .....	56,707,800
Special revenue funds:	
Total private revenues .....	607,500
Merit award trust fund .....	4,468,700
Total other state restricted revenues .....	1,400,000
State general fund/general purpose .....	\$ 27,645,700
<b>Sec. 118. MEDICAL SERVICES ADMINISTRATION</b>	
Full-time equated classified positions .....	414.0
Medical services administration—414.0 FTE positions .....	\$ 65,703,000
Facility inspection contract .....	132,800
MiChild administration .....	4,327,800
State health information exchange (ARRA) .....	8,000,000
GROSS APPROPRIATION .....	\$ 78,163,600
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	48,151,600
Federal revenues (ARRA) .....	8,000,000
Special revenue funds:	
Total local revenues .....	105,900
Total private revenues .....	100,000
Total other state restricted revenues .....	105,300
State general fund/general purpose .....	\$ 21,700,800
<b>Sec. 119. MEDICAL SERVICES</b>	
Hospital services and therapy .....	\$ 1,308,254,500
Hospital disproportionate share payments .....	52,500,000

	For Fiscal Year Ending Sept. 30, 2011
Physician services.....	\$ 301,252,900
Medicare premium payments .....	399,490,400
Pharmaceutical services.....	401,414,600
Home health services.....	6,109,200
Hospice services.....	115,000,000
Transportation.....	15,481,300
Auxiliary medical services .....	5,487,500
Dental services .....	145,313,300
Ambulance services.....	11,335,700
Long-term care services .....	1,687,362,700
Medicaid home- and community-based services waiver.....	183,723,300
Adult home help services .....	304,928,900
Personal care services.....	24,409,600
Program of all-inclusive care for the elderly .....	23,600,000
Health plan services .....	4,028,012,700
MIChild program.....	52,709,100
Plan first family planning waiver .....	11,269,900
Medicaid adult benefits waiver.....	124,208,300
Special indigent care payments .....	88,518,500
Federal Medicare pharmaceutical program .....	152,119,200
Promotion of healthy behavior waiver .....	10,000,000
Maternal and child health.....	20,279,500
Subtotal basic medical services program .....	9,472,781,100
School-based services.....	91,296,500
Special Medicaid reimbursement.....	359,191,500
Subtotal special medical services payments.....	450,488,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 9,923,269,100</b>
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	6,547,019,700
Federal FMAP stimulus (ARRA).....	500,035,500
Special revenue funds:	
Total local revenues.....	59,888,900
Total private revenues.....	3,013,900
Merit award trust fund.....	81,988,900
Total other state restricted revenues .....	1,634,933,200
State general fund/general purpose .....	\$ 1,096,389,000
<b>Sec. 120. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 35,025,200
Michigan Medicaid information system.....	16,801,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 51,826,300</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	36,438,600
Special revenue funds:	
Total other state restricted revenues .....	3,192,300
State general fund/general purpose .....	\$ 12,195,400

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 2010-2011 is \$4,272,868,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,259,130,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION  
AND SPECIAL PROJECTS

Community residential and support services.....	\$ 286,400
Housing and support services.....	599,800



COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS	
State disability assistance program substance abuse services .....	\$ 2,243,100
Community substance abuse prevention, education, and treatment programs .....	14,292,500
Medicaid mental health services .....	555,428,800
Community mental health non-Medicaid services .....	282,275,100
Medicaid adult benefits waiver.....	11,845,800
Mental health services for special populations .....	6,873,800
Medicaid substance abuse services.....	11,829,500
Children’s waiver home care program.....	5,622,000
Nursing home PASARR .....	2,702,400
PUBLIC HEALTH ADMINISTRATION	
Minority health grants and contracts .....	\$ 190,000
HEALTH POLICY, REGULATION, AND PROFESSIONS	
Primary care services .....	\$ 88,900
INFECTIOUS DISEASE CONTROL	
AIDS prevention, testing, and care programs .....	\$ 1,000,000
Immunization local agreements.....	1,750,000
Sexually transmitted disease control local agreements .....	235,200
LABORATORY SERVICES	
Laboratory services .....	\$ 13,700
LOCAL HEALTH ADMINISTRATION AND GRANTS	
Implementation of 1993 PA 133, MCL 333.17015 .....	\$ 8,000
Essential local public health services.....	33,932,800
CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION	
Cancer prevention and control program .....	\$ 450,000
Chronic disease control and health promotion administration .....	261,600
Diabetes and kidney program.....	54,500
Smoking prevention program .....	800,000
FAMILY, MATERNAL, AND CHILDREN’S HEALTH SERVICES	
Childhood lead program.....	\$ 51,100
Pregnancy prevention program.....	90,000
School health education programs.....	250,000
CHILDREN’S SPECIAL HEALTH CARE SERVICES	
Medical care and treatment .....	\$ 895,700
Outreach and advocacy.....	1,237,500
MEDICAL SERVICES	
Dental services .....	\$ 2,005,600
Long-term care services .....	269,214,200
Transportation.....	2,572,700
Medicaid adult benefits waiver.....	6,186,600
Hospital services and therapy.....	5,316,800
Physician services.....	4,251,500
OFFICE OF SERVICES TO THE AGING	
Community services .....	\$ 12,233,500
Nutrition services .....	8,787,000
Foster grandparent volunteer program.....	679,800
Retired and senior volunteer program.....	175,000
Senior companion volunteer program .....	215,000
Respite care program.....	5,384,800
CRIME VICTIM SERVICES COMMISSION	
Crime victim rights services grants.....	\$ 6,800,000
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT .....	\$ 1,259,130,700

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) “AIDS” means acquired immunodeficiency syndrome.

(b) “ARRA” means the American recovery and reinvestment act of 2009, Public Law 111-5.

- (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) "Current fiscal year" means the fiscal year ending September 30, 2011.
- (e) "Department" means the Michigan department of community health.
- (f) "Director" means the director of the department.
- (g) "DSH" means disproportionate share hospital.
- (h) "EPSDT" means early and periodic screening, diagnosis, and treatment.
- (i) "Federal poverty level" means the poverty guidelines published annually in the federal register by the United States department of health and human services under its authority to revise the poverty line under 42 USC 9902.
- (j) "FMAP" means federal medical assistance percentages.
- (k) "FTE" means full-time equated.
- (l) "GME" means graduate medical education.
- (m) "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.
- (n) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome.
- (o) "HMO" means health maintenance organization.
- (p) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.
- (q) "IDG" means interdepartmental grant.
- (r) "MCH" means maternal and child health.
- (s) "MICHild" means the program described in section 1670.
- (t) "MIHP" means the maternal infant health program.
- (u) "PASARR" means the preadmission screening and annual resident review required under the omnibus budget reconciliation act of 1987, section 1919(e)(7) of the social security act, and 42 USC 1396r.
- (v) "PIHP" means a specialty prepaid inpatient health plan for Medicaid mental health services, services to persons with developmental disabilities, and substance abuse services as described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.
- (w) "Title XVIII" and "Medicare" mean title XVIII of the social security act, 42 USC 1395 to 1395iii.
- (x) "Title XIX" and "Medicaid" mean title XIX of the social security act, 42 USC 1396 to 1396w-2.
- (y) "Title XX" means title XX of the social security act, 42 USC 1397 to 1397f.
- (z) "WIC program" means the women, infants, and children supplemental nutrition program.

Sec. 204. The civil service commission shall bill the department at the end of the first fiscal quarter for the charges authorized by section 5 of article XI of the state constitution of 1963. The department shall pay 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 may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will render a state department or agency unable to deliver basic services, will cause loss of revenue to the state, will result in the inability of the state to receive federal funds, or will necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report annually 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 \$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. 208. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement 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.

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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

Sec. 210. 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.

Sec. 211. (1) 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.

(2) The department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the balance of each of the restricted funds administered by the department as of September 30 of the current fiscal year.

Sec. 212. (1) On or before February 1 of the current fiscal year, the department shall report to the house 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.

(2) Upon the release of the next fiscal year executive budget recommendation, the department shall report to the same parties in subsection (1) 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 next fiscal year executive budget proposal.

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds and healthy Michigan funds from part 1 shall report by April 1 of the current fiscal year to the senate and house 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 and a summary of organizations receiving these funds.

(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 used to evaluate programs, including measures of the effectiveness of these programs in improving the health of Michigan residents.

(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 section 5 of 1978 PA 472, MCL 4.415, and shall not be used in attempting to influence the decisions of the legislature, the governor, or any state agency.

Sec. 215. (1) The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies by no later than April 1 of the current fiscal year on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

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 the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

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

Sec. 218. The department shall include the following in its annual list of proposed basic health services as required in part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321:

- (a) Immunizations.
- (b) Communicable disease control.
- (c) Sexually transmitted disease control.
- (d) Tuberculosis control.
- (e) Prevention of gonorrhea eye infection in newborns.
- (f) Screening newborns for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.
- (g) Community health annex of the Michigan emergency management plan.
- (h) 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 and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before November 1 and May 1 of the current fiscal year 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) On or before September 30 of the current fiscal year, 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 sub-contractors, 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 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 department shall not collect fees under this section that exceed the cost of the expenditures.

Sec. 259. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of technology, management, and budget 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 technology, management, and budget.

Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid state plan amendment, or a similar proposal to the centers for Medicare and Medicaid services, the department shall notify the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies of the submission.

(2) The department shall provide written or verbal biannual reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies summarizing the status of any new or ongoing discussions with the centers for Medicare and Medicaid services or the federal department of health and human services regarding potential or future Medicaid waiver applications.

Sec. 265. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 266. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

(2) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 267. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 270. Within 180 days after receipt of the notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses, the department shall submit a written report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office which includes, at a minimum, all of the following:

(a) The total amount recovered from the legal action.

(b) The program or service for which the money was originally expended.

(c) Details on the disposition of the funds recovered such as the appropriation or revenue account in which the money was deposited.

(d) A description of the facts involved in the legal action.

Sec. 271. (1) The department, in cooperation with a PIHP, a Medicaid HMO, or a federally qualified health center shall establish and implement an early mental health services intervention pilot project. This project shall provide care coordination, disease management, and pharmacy management to eligible recipients suffering from chronic disease, including, but not limited to, diabetes, asthma, substance addiction, or stroke. Participating organizations may make use of data sharing, joint information technology efforts, and financial incentives to health providers and recipients in this project. The department shall encourage that each CMHSP and Medicaid health plan act in a coordinated manner in the establishment of their respective electronic medical record systems.

(2) The pilot project shall make use of preestablished objectives and outcome measures to determine the cost effectiveness of the project. Participating organizations shall collect data to study and monitor the correlation between early mental health treatment services to program participants and improvement in the management of their chronic disease.

(3) The department shall request any necessary Medicaid state plan amendments or waivers to ensure participation in this project by eligible Medicaid recipients.

(4) A progress report on the pilot project shall be provided to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director no later than May 1 of the current fiscal year.

Sec. 276. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 282. (1) The department, through its organizational units responsible for departmental administration, operation, and finance, shall establish uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by the following entities:

(a) Coordinating agencies on substance abuse and the Salvation Army harbor light program that receive payment or reimbursement from funds appropriated under section 104.

(b) Area agencies on aging and local providers that receive payment or reimbursement from funds appropriated under section 117.

(2) By May 15 of the current fiscal year, the department shall provide a written draft of its proposed definitions, standards, and instructions to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Sec. 285. (1) By July 1 of the current fiscal year, the department shall expand its current prescription drug website to provide all of the following information:

(a) The 150 most commonly prescribed brand-name drug products under the Medicaid program and, if available, their generic equivalents.

- (b) The most commonly prescribed brand-name drug products used for the treatment of all major illnesses and diseases, if not already included under subdivision (a), and, if available, their generic equivalents.
- (c) The usual and customary price of each brand-name and generic prescription drug listed.
- (d) The dosage, including the number of doses and dosage strength, on which the price is based.
- (e) Names and addresses for the pharmacies associated with the listed prescription drugs.
- (f) A minimum of 5 links to other useful websites that can provide assistance to consumers.
- (g) The department's toll-free telephone number that residents of this state may call to determine which prescription drug programs they may be eligible for, including free and discounted prescription drug programs.
- (h) An advisory statement alerting consumers of the need to tell their health professionals and pharmacists about all the medications they are taking so that they know how to avoid harmful interactions between medications.
- (i) An advisory statement alerting consumers that the price posted for a listed drug product is only for the strength and quantity posted.
- (j) A date stamp indicating the most recent date the usual and customary price of each brand-name and generic prescription drug listed was updated.

(k) A notation indicating a prescription drug price was corrected.

(2) The department shall provide a progress report on these efforts to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by May 1 of the current fiscal year.

Sec. 287. Not later than December 1, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the fiscal agencies.

Sec. 292. (1) On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house of representatives standing committees on appropriations subcommittees on community health and the senate and house fiscal agencies.

(2) From the funds appropriated in part 1, the department shall develop, post, and maintain on a user-friendly and publicly accessible Internet website all expenditures made by the department within a fiscal year. The posting must include the purpose for which each expenditure is made. Funds appropriated in part 1 from the ARRA shall also be included on a publicly accessible website maintained by the Michigan economic recovery office. The department shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that section.

Sec. 293. The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of section 292(2).

#### **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. 303. The department shall not require first-party payment from individuals or families with a taxable income of \$10,000.00 or less for mental health services for determinations made under section 818 of the mental health code, 1974 PA 258, MCL 330.1818.

#### **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

Sec. 350. The department may enter into a contract with the protection and advocacy agency, 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 that 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.

#### **COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

Sec. 401. 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 or PIHPs. The department shall ensure that each CMHSP or PIHP provides all of the following:

- (a) A system of single entry and single exit.
- (b) A complete array of mental health services that includes, but is not 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 or PIHP's program or through assistance with locating and obtaining services to meet these needs.

(e) A system of case management or care 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.

Sec. 402. (1) From funds appropriated in part 1, final authorizations to CMHSPs or PIHPs shall be made upon the execution of contracts between the department and CMHSPs or PIHPs. 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 or PIHP 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 or PIHPs entered into under this subsection for the current fiscal year 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 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 or PIHPs that would affect rates or expenditures are enacted.

(b) Any amendments to contracts with CMHSPs or PIHPs 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. (1) From the funds appropriated in part 1 for mental health services for special populations, the department shall ensure that CMHSPs or PIHPs meet with multicultural service providers to develop a workable framework for contracting, service delivery, and reimbursement.

(2) Funds appropriated in part 1 for mental health services for special populations shall not be utilized for services provided to illegal immigrants, fugitive felons, and people who are not residents of this state. The department shall maintain contracts with recipients of multicultural services grants that mandate grantees establish that recipients of services are legally residing in the United States. An exception to the contractual provision will be allowed to address persons presenting with emergent mental health conditions.

(3) The department shall require an annual report from the independent organizations that receive mental health services for special populations funding. The annual report shall include specific information on services and programs provided, the client base to which the services and programs were provided, and the expenditures for those services. The department shall provide the annual reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies.

Sec. 404. (1) Not later than May 31 of the current fiscal year, the department shall provide a report on the community mental health services programs to the members of the house 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 or PIHP and a statewide summary, each of which shall include at least the following information:

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

(b) Per capita expenditures by client population group.

(c) Financial information that, minimally, includes a description of funding authorized; expenditures by client group and fund source; and cost information by service category, including administration. Service category includes all department-approved services.

(d) Data describing service outcomes that includes, but is not limited to, an evaluation of consumer satisfaction, consumer choice, and quality of life concerns including, but not limited to, housing and employment.

(e) Information about access to community mental health services programs that includes, but is not 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.

(f) The number of second opinions requested under the code and the determination of any appeals.

(g) An analysis of information provided by CMHSPs in response to the needs assessment requirements of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, including information about the number of persons in the service delivery system who have requested and are clinically appropriate for different services.

(h) Lapses and carryforwards during the immediately preceding fiscal year for CMHSPs or PIHPs.

(i) Information about contracts for mental health services entered into by CMHSPs or PIHPs with providers, including, but not limited to, all of the following:

(i) The amount of the contract, organized by type of service provided.

(ii) Payment rates, organized by the type of service provided.

(iii) Administrative costs for services provided to CMHSPs or PIHPs.

(j) Information on the community mental health Medicaid managed care program, including, but not limited to, both of the following:

(i) Expenditures by each CMHSP or PIHP 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 or PIHPs.

(k) An estimate of the number of direct care workers in local residential settings and paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided by CMHSPs or PIHPs as of September 30 of the prior fiscal year employed directly or through contracts with provider organizations.

(3) The department shall include data reporting requirements listed in subsection (2) in the annual contract with each individual CMHSP or PIHP.

(4) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs or PIHPs.

Sec. 405. (1) It is the intent of the legislature that the employee wage pass-through funded in previous years 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 settings where skill building, community living supports and training, and personal care services are provided shall continue to be paid to direct care workers.

(2) Each CMHSP awarded wage pass-through money from the funds established under subsection (1) shall report on the actual expenditures of the money in the format determined by the department.

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 department of human services 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. Coordinating agencies shall work with CMHSPs or PIHPs to coordinate care and services provided to individuals with severe and persistent mental illness and substance abuse diagnoses.

(2) The department shall approve coordinating agency fee schedules for providing substance abuse services and charge participants in accordance with their ability to pay.

(3) It is the intent of the legislature that the coordinating agencies continue current efforts to collaborate on the delivery of services to those clients with mental illness and substance abuse diagnoses.

(4) Coordinating agencies that are located completely within the boundary of a PIHP shall conduct a study of the administrative costs and efficiencies associated with consolidation with that PIHP. If that coordinating agency realizes an administrative cost savings of 5% or greater of their current costs, then that coordinating agency shall initiate discussions regarding a potential merger in accordance with section 6226 of the public health code, 1978 PA 368, MCL 333.6226. The department shall report to the legislature by April 1 of the current fiscal year on any such discussions.

Sec. 408. (1) By April 1 of the current fiscal year, the department shall report the following data from the prior fiscal year on substance abuse prevention, education, and treatment programs to the senate and house 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 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 department of human services 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 or PIHP requires the CMHSP or PIHP 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 or PIHP 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 to provide non-Medicaid substance abuse services.

Sec. 414. Medicaid substance abuse treatment services shall be managed by PIHPs pursuant to the centers for Medicare and Medicaid services' approval of Michigan's 1915(b) waiver request submitted under 42 USC 1396n to implement a managed care plan for specialized substance abuse services. The PIHPs 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 PIHPs shall be responsible for the reimbursement of claims for specialized substance abuse services. The PIHPs 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. 418. On or before the tenth of each month, the department shall report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to PIHPs to support the Medicaid managed mental health care program in the preceding month. The information shall include the total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, and number of cases in each eligibility group for each PIHP, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Sec. 424. Each PIHP 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, shall be paid within 45 days after receipt of the claim by the PIHP. A clean claim that is not paid within this time frame shall bear simple interest at a rate of 12% per annum.

(b) A PIHP 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 PIHP shall pay the claim within 30 days after the defect is corrected.

Sec. 428. Each PIHP 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 PIHPs. 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 PIHP.

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 of the current fiscal year.

Sec. 442. (1) It is the intent of the legislature that the \$41,386,000.00 in funding transferred from the community mental health non-Medicaid services line to support the Medicaid adult benefits waiver program shall be used to provide state match for increases in federal funding for primary care and specialty services provided to Medicaid adult benefits waiver enrollees and for economic increases for the Medicaid specialty services and supports program.

(2) The department shall assure that persons enrolled in the Medicaid adult benefits waiver program shall receive mental health services as approved in the state plan amendment.

(3) Capitation payments to CMHSPs for persons who become enrolled in the Medicaid adult benefits waiver program shall be made using the same rate methodology as payments for the current Medicaid beneficiaries.

(4) If enrollment in the Medicaid adult benefits waiver program does not achieve expectations and the funding appropriated for the Medicaid adult benefits waiver program for specialty services is not expended, the general fund balance shall be transferred back to the community mental health non-Medicaid services line. The department shall report quarterly to the senate and house appropriations subcommittees on community health a summary of eligible expenditures for the Medicaid adult benefits waiver program by CMHSPs.

Sec. 452. Unless otherwise authorized by law, the department shall not implement retroactively any policy that would lead to a negative financial impact on CMHSPs or PIHPs.

Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to the fullest extent possible when providing services and support programs for individuals with mental illness, developmental disabilities, or substance abuse issues. Consumer choices shall include skill-building assistance, rehabilitative and habilitative services, supported and integrated employment services program settings, and other work preparatory services provided in the community or by accredited community-based rehabilitation organizations. CMHSPs and PIHPs shall not restrict any choices from the array of services and program settings available to consumers without reasonable justification that those services are not in the consumer's best interest.

(2) CMHSPs and PIHPs shall take all necessary steps to ensure that individuals with mental illness, developmental disabilities, or substance abuse issues be placed in the most integrated setting in the quickest amount of time possible if the individual, after being fully informed, chooses freely, and through a person-centered process.

Sec. 458. By April 15 of the current fiscal year, the department shall provide each of the following to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director:

(a) An updated plan for implementing each of the recommendations of the Michigan mental health commission made in the commission's report dated October 15, 2004.

(b) A report that evaluates the cost-benefit of establishing secure residential facilities of fewer than 17 beds for adults with serious mental illness, modeled after such programming in Oregon or other states. This report shall examine the potential impact that utilization of secure residential facilities would have upon the state's need for adult mental health facilities.

(c) In conjunction with the state court administrator's office, a report that evaluates the cost-benefit of establishing a specialized mental health court program that diverts adults with serious mental illness alleged to have committed an offense deemed nonserious into treatment prior to the filing of any charges.

Sec. 462. (1) With the exception of administrative costs, the department shall continue to utilize the funding formula for all CMHSPs that receive funds appropriated under the community mental health non-Medicaid services line utilized in fiscal year 2009-2010.

(2) The department shall convene a workgroup including CMHSPs regarding the allocation of the current fiscal year administrative reduction of \$3,797,900.00.

Sec. 463. The department shall use standard program evaluation measures to assess the overall effectiveness of programs provided through coordinating agencies and service providers in reducing and preventing the incidence of substance abuse. The measures established by the department shall be modeled after the program outcome measures and best practice guidelines for the treatment of substance abuse as proposed by the federal substance abuse and mental health services administration.

Sec. 468. To foster a more efficient administration of and to integrate care in publicly funded mental health and substance abuse services, the department shall maintain criteria for the incorporation of a city, county, or regional substance abuse coordinating agency into a local community mental health authority that will encourage those city, county, or regional coordinating agencies to incorporate as local community mental health authorities. If necessary, the department may make accommodations or adjustments in formula distribution to address administrative costs related to the maintenance of the criteria under this section and to the incorporation of the additional coordinating agencies into local community mental health authorities provided that all of the following are satisfied:

(a) The department provides funding for the administrative costs incurred by coordinating agencies incorporating into community mental health authorities. The department shall not provide more than \$75,000.00 to any coordinating agency for administrative costs.

(b) The accommodations or adjustments favor coordinating agencies who voluntarily elect to integrate with local community mental health authorities.

(c) The accommodations or adjustments do not negatively affect other coordinating agencies.

Sec. 470. (1) For those substance abuse coordinating agencies that have voluntarily incorporated into community mental health authorities and accepted funding from the department for administrative costs incurred pursuant to section 468, the department shall establish written expectations for those CMHSPs, PIHPs, and substance abuse coordinating agencies and counties with respect to the integration of mental health and substance abuse services. At a minimum, the written expectations shall provide for the integration of those services as follows:

(a) Coordination and consolidation of administrative functions and redirection of efficiencies into service enhancements.

(b) Consolidation of points of 24-hour access for mental health and substance abuse services in every community.

(c) Alignment of coordinating agencies and PIHPs boundaries to maximize opportunities for collaboration and integration of administrative functions and clinical activities.

(2) By May 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on the impact and effectiveness of this section and the status of the integration of mental health and substance abuse services.

Sec. 474. The department shall ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to provide each recipient and his or her family with information regarding the different types of guardianship and the alternatives to guardianship. A CMHSP or PIHP shall not, in any manner, attempt to reduce or restrict the ability of a recipient or his or her family from seeking to obtain any form of legal guardianship without just cause.

Sec. 480. The department shall provide to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by March 30 of the current fiscal year a report on the number and reimbursement cost of atypical antipsychotic prescriptions by each PIHP for Medicaid beneficiaries.

Sec. 482. From the funds appropriated in part 1, the department shall continue funding for programs provided by Odyssey house.

Sec. 489. The department shall work with the Michigan association of community mental health boards and individual CMHSPs in an effort to mitigate necessary reductions to the community mental health non-Medicaid services line by seeking alternative funding sources.

Sec. 490. (1) The department shall establish a workgroup to develop a plan to maximize uniformity and consistency in the standards required of providers contracting directly with PIHPs, CMHSPs, and substance abuse coordinating agencies. These standards shall apply to community living supports, personal care services, substance abuse services, skill-building services, and other similar supports and services providers who contract with PIHPs, CMHSPs, and substance abuse coordinating agencies or their contractors.

(2) The workgroup shall include representatives of the department, PIHPs, CMHSPs, substance abuse coordinating agencies, and affected providers. The standards shall include, but are not limited to, contract language, training requirements for direct support staff, performance indicators, financial and program audits, and billing procedures.

(3) The department shall provide a status report on the workgroup's efforts to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director by June 1 of the current fiscal year.

Sec. 491. The department shall explore changes in program policy in the habilitation supports waiver for persons with developmental disabilities that would permit the movement of a slot that has become available to a county that has demonstrated a greater need for the services.

Sec. 492. If a CMHSP has entered into an agreement with a county or county sheriff to provide mental health services to the inmates of the county jail, the department shall not prohibit the use of state general fund/general purpose dollars by CMHSPs to provide mental health services to inmates of a county jail.

Sec. 493. From the funds appropriated in part 1, \$1,000,000.00 shall be allocated to enhance the community health outreach program provided by self-help addiction rehabilitation.

**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 shall be used for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$1,000,000.00 remaining on September 30 of the current fiscal year from 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. (1) 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.

(2) By February 15 of the current fiscal year, the department shall provide a copy of the interdepartmental plan developed with the department of corrections to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies. The department shall work with the department of corrections to ensure that this interdepartmental agreement is updated every 3 years and that forensic mental health services provided to the department of corrections meet the standard of care for the provision of mental health services.

Sec. 604. (1) The CMHSPs or PIHPs shall provide annual 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 annually report the information in subsection (1) to the house 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 or PIHPs 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 and PIHP 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 and senate appropriations subcommittees on community health and the state budget director.

(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 or PIHPs 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 and local county CMHSP payers, 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.

Sec. 608. Effective October 1, 2010, the department, in consultation with the department of technology, management, and budget, shall establish and implement a bid process to identify 1 or more private contractors to provide food service and custodial services for the administrative areas at any state hospital identified by the department as capable of generating a minimum of 7.5% savings through the outsourcing of such services.

Sec. 609. The department shall continue to ban the use of all tobacco products in and on the grounds of state psychiatric facilities. As used in this section, "tobacco product" means a product that contains tobacco and is intended for human consumption, including, but not limited to, cigarettes, noncigarette smoking tobacco, or smokeless tobacco, as those terms are defined in section 2 of the tobacco products tax act, 1993 PA 327, MCL 205.422, and cigars.

#### **PUBLIC HEALTH ADMINISTRATION**

Sec. 650. The department shall communicate the annual public health consumption advisory for sportfish. The department shall, at a minimum, post the advisory on the Internet and make the information in the advisory available to the clients of the women, infants, and children special supplemental nutrition program.

Sec. 653. The department shall develop plans to address potential state public health emergencies.

#### **HEALTH POLICY, REGULATION, AND PROFESSIONS**

Sec. 704. The department shall continue to contract with grantees supported through the appropriation in part 1 for the emergency medical services grants and contracts to ensure that a sufficient number of qualified emergency medical services personnel exist to serve rural areas of the state.

Sec. 706. When hiring any new nursing home inspectors funded through appropriations in part 1, the department shall make every effort to hire qualified individuals with past experience in the long-term care industry.

Sec. 707. The funds appropriated in part 1 for the nursing scholarship program, established pursuant to section 16315 of the public health code, 1978 PA 368, MCL 333.16315, shall be used to increase the number of nurses practicing in Michigan. The board of nursing is encouraged to structure scholarships funded under this act in a manner that rewards recipients who intend to practice nursing in Michigan. In addition, the department and the board of nursing shall work cooperatively with the Michigan higher education assistance authority to coordinate scholarship assistance with scholarships provided pursuant to the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

Sec. 708. Nursing facilities shall report in the quarterly staff report to the department, the total patient care hours provided each month, by state licensure and certification classification, and the percentage of pool staff, by state licensure and certification classification, used each month during the preceding quarter. The department shall make available to the public, the quarterly staff report compiled for all facilities including the total patient care hours and the percentage of pool staff used, by classification.

Sec. 709. 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. 710. From the funds appropriated in part 1 for primary care services, an amount not to exceed \$2,172,700.00 is appropriated to enhance the service capacity of the federally qualified health centers and other health centers that are similar to federally qualified health centers.

Sec. 711. The department may make available to interested entities customized listings of nonconfidential information in its possession, such as names and addresses of licensees. The department may establish and collect a reasonable charge to provide this service. The revenue received from this service shall be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted fund.

Sec. 712. From the funds appropriated in part 1 for primary care services, \$250,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation, "free health clinics" means nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Sec. 713. The department shall continue support of multicultural agencies that provide primary care services from the funds appropriated in part 1.

Sec. 714. The department shall report by April 1 of the current fiscal year to the legislature on the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis. The report shall consist of the number of allegations filed by consumers and the number of facility-reported incidents. The department shall make every effort to contact every complainant and the subject of a complaint during an investigation.

Sec. 716. The department shall give priority in investigations of alleged wrongdoing by licensed health care professionals to instances that are alleged to have occurred within 2 years of the initial complaint.

Sec. 718. The department shall gather information on its most frequently cited complaint deficiencies for the prior 3 fiscal years. The department shall determine whether there is an increase in the number of citations from 1 year to the next and assess the cause of the increase, if any, and whether education and training of nursing facility staff or department staff is needed. The department will implement any training indicated by the study. The department shall provide the results of the study to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by May 1 of the current fiscal year.

Sec. 720. From the funds appropriated in part 1 for primary care services, \$75,000.00 shall be allocated to the Helen M. Nickless volunteer clinic in Bay City.

Sec. 722. A medical professional who was newly accepted into the Michigan essential health provider program in fiscal year 2008-2009 is eligible for 4 years of loan repayments.

Sec. 724. From the funds appropriated in part 1 for emergency medical services program state staff, up to \$100.00 may be allocated for the development of a coordinated statewide trauma care system.

Sec. 725. From the funds appropriated in part 1 for rural health services, up to \$100.00 may be allocated to support rural health improvement as identified in "Michigan Strategic Opportunities for Rural Health Improvement, A State Rural Health Plan 2008-2012". The department shall make these funds available to rural and micropolitan communities under a competitive bid process. The department shall not allocate more than \$5,000.00 to each rural or micropolitan community under this section. The department shall not allocate funds appropriated under this section unless a 50/50 state and local match rate has occurred. The department shall submit a report to the house and senate appropriations subcommittees on community health, house and senate fiscal agencies, and state budget director by April 1 of the current fiscal year on the projects supported by this allocation.

Sec. 726. (1) The department shall submit a report by April 1 of the current fiscal year to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director, on an annual basis, that includes all data on the amount collected from medical marijuana program application and renewal fees along with the cost of administering the medical marijuana program under the Michigan medical marijuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

(2) If the required fees are shown to be insufficient to offset all expenses of implementing and administering the medical marijuana program, the department shall review and revise the application and renewal fees accordingly to ensure that all expenses of implementing and administering the medical marijuana program are offset as is permitted under section 5 of the Michigan medical marijuana act, 2008 IL 1, MCL 333.26425.

Sec. 727. By October 1, 2010 if authorized by law, the department shall establish and implement a bid process to identify a private or public contractor to provide management of the medical marijuana program. By April 1 of the current fiscal year if authorized by law, the department shall transfer responsibility for management of the medical marijuana program to the contractor identified by the bid process.

Sec. 729. The department shall identify counties in which there are an insufficient number of health professionals providing obstetrical and gynecological services. In addition, the department shall identify the reasons why there are an insufficient number of health professionals providing obstetrical and gynecological services and identify possible policy or fiscal, or both, measures considered necessary to address the shortage. The department shall submit a report of its findings under this section to the house and senate appropriations subcommittees on community health, house and senate fiscal agencies, and state budget director no later than December 1 of the current fiscal year.

Sec. 730. The department shall ensure that any Medicare certification survey authorized by the center for Medicare and Medicaid services (CMS) for the expansion of, or the operation of, a new outpatient end-stage renal disease facility shall be conducted within 120 days after that authorization as allowed by federal rules, regulations, and instructions. The

120 days shall begin when all requirements for the initial certification survey have been fulfilled, including approval of the CMS application, issuance of the CMS-855 by national government services, state approval for occupancy, and provision of care for a reasonable and sufficient number of patients for 1 complete week.

#### **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 high-risk individuals ages 9 through 18 receive priority for prevention, education, and outreach services.

Sec. 803. The department shall continue the AIDS drug assistance program maintaining the prior year eligibility criteria and drug formulary. This section does not prohibit the department from providing assistance for improved AIDS treatment medications. If the appropriation in part 1 or actual revenue is not sufficient to maintain the prior year eligibility criteria and drug formulary, the department may revise the eligibility criteria and drug formulary in a manner that is consistent with federal program guidelines.

Sec. 804. The department, in conjunction with efforts to implement the Michigan prisoner reentry initiative, shall cooperate with the department of corrections to share data and information as they relate to prisoners being released who are HIV positive or positive for the hepatitis C antibody.

#### **LABORATORY SERVICES**

Sec. 840. From the funds appropriated in part 1 for laboratory services, the department shall allocate \$250,000.00 for Upper Peninsula laboratory services for the continuation of operations and services in fiscal year 2010-2011.

#### **EPIDEMIOLOGY**

Sec. 851. The department shall provide a report annually to the house 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.

#### **LOCAL HEALTH ADMINISTRATION AND GRANTS**

Sec. 901. The amount appropriated in part 1 for implementation of the 1993 additions of or 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 be used to reimburse local health departments for costs incurred related to implementation of section 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

Sec. 902. (1) 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 of the current fiscal year, the department shall have the authority to assess a penalty from the local health department's essential local public health services funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

(2) The department shall explore changes in program policy that would permit enhanced grants provided through the essential local public health services line to local public health departments that have successfully consolidated after October 1 of the current fiscal year.

Sec. 904. (1) Funds appropriated in part 1 for essential local public health services 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 department of agriculture. Public water supply, private groundwater supply, and on-site sewage management shall be provided in consultation with the department of natural resources and environment.

(2) Local public health departments shall 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 the current fiscal year of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

(4) By April 1 of the current fiscal year, the department shall make available a report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the planned allocation of the funds appropriated for essential local public health services.

#### **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

Sec. 1006. (1) 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.

(2) For purposes of complying with 2004 PA 164, \$100,000.00 of the funds appropriated in part 1 for the smoking prevention program shall be used for the quit kit program that includes the nicotine patch or nicotine gum.

Sec. 1007. (1) The funds appropriated in part 1 for violence prevention may be used for programs aimed at the prevention of spouse, partner, or child abuse and rape.

(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.

Sec. 1008. From the funds appropriated in part 1 for the diabetes and kidney program, the department may allocate up to \$25,000.00 for a diabetes management pilot project in Muskegon County.

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. 1019. From the funds appropriated in part 1 for chronic disease control and health promotion administration, up to \$50,000.00 may 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. 1028. Contingent on the availability of state restricted healthy Michigan fund money or federal preventive health and health services block grant fund money, funds may be appropriated for the African-American male health initiative.

Sec. 1031. (1) From the funds appropriated in part 1 for the injury control intervention project, \$200,000.00 shall be used to continue 2 incentive-based pilot programs for level I and level II trauma hospitals to ensure greater state utilization of an interactive, evidence-based treatment guideline model for traumatic brain injury.

(2) One pilot program shall be placed in a county with a population of less than 225,000. The other pilot program shall be placed in a county with a population over 1,000,000.

#### **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

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; 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. 1104. (1) Before April 1 of the current fiscal year, 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 adolescents served and amounts expended for each group for the immediately preceding fiscal year.

(c) A breakdown of the expenditure of these funds between urban and rural communities.

(2) The department shall ensure that the distribution of funds through the programs described in subsection (1) takes into account the needs of rural communities.

(3) For the purposes of this section, "rural" means a county, city, village, or township with a population of 30,000 or less, including those entities if located within a metropolitan statistical area.

Sec. 1105. For all family, maternal, and children's health services 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 include the ability to serve high-risk population groups; ability to provide access to individuals in need of services in rural communities; 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 under 42 USC 300 to 300a-8 shall be in compliance with all performance and quality assurance indicators that the office of family planning within the United States department of health and human services specifies in the family planning annual report. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

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 provides dental services to the uninsured.

(2) Not later than December 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house standing committees on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures from the immediately preceding fiscal year.

Sec. 1110. An agency that currently receives pregnancy prevention funds and either receives or is eligible for other family planning funds shall have the option of receiving all of its family planning funds directly from the department and be designated as a delegate agency.

Sec. 1111. The department shall allocate no less than 88% of the funds appropriated in part 1 for family planning local agreements and the pregnancy prevention program for the direct provision of family planning and pregnancy prevention services.

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

Sec. 1117. (1) Contingent upon the availability of federal or state restricted funds, the department may pursue efforts to reduce the incidence of stillbirth. Efforts shall include the establishment of a program to increase public awareness of stillbirth, promote education to monitor fetal movements counting kicks, promote a uniform definition of stillbirth,

standardize data collection of stillbirths, and collaborate with appropriate federal agencies and statewide organizations. The department shall seek federal or other grant funds to assist in implementing this program.

(2) From the funds appropriated in part 1 for prenatal care outreach and service delivery support, effective March 1, 2011, the department shall allocate to the healthy birth day organization or to the first candle organization \$50,000.00 for efforts to reduce the incidence of stillbirth as described in subsection (1). The organization shall use these funds primarily for a counting fetal kicks awareness program and materials for expectant parents and maternal health care providers. It is the intent of the legislature that the recipient organization act in a collaborative manner with other organizations having a stated purpose of preventing infant mortality.

Sec. 1129. The department shall provide a report annually to the house 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 from information available to the department. The report shall provide the information by county, shall include the level of blood lead reported, and shall indicate the sources of the information.

Sec. 1133. The department shall release infant mortality rate data to all local public health departments 72 hours or more before releasing infant mortality rate data to the public.

Sec. 1135. (1) Provision of the school health education curriculum, such as the Michigan model for health or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model steering committee. The steering committee shall be composed 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 mental health and substance abuse administration in the department of community health.
- (e) The department of human services.
- (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. 1137. From the funds appropriated in part 1 for special projects, up to \$100.00 may be allocated to support an Alzheimer's disease patient care training program involving a community college and a retirement community.

Sec. 1138. From the funds appropriated in part 1 for special projects, up to \$100.00 shall be allocated to the Ele's Place organization in Lansing.

Sec. 1139. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall fund the nurse family partnership program.

#### **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

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 based on local commitment of funds.

Sec. 1153. The department shall ensure that individuals residing in rural communities have sufficient access to the services offered through the WIC program. The department shall report to the legislature on its efforts to increase access to the WIC program in rural areas.

#### **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 and published by the Michigan medical services administration.

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 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.

Sec. 1204. The department shall work with the Michigan association of health plans to develop a plan for reimbursing and enrolling children into the Medicaid health plans for the children's special health care services program. The department shall report the results of this effort to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by April 1 of the current fiscal year.

Sec. 1205. If the department determines that a family currently enrolled in the children's special health care services program is likely to qualify for Medicaid or MICHild coverage, the department shall request that the family complete the



healthy kids application within 3 months after such request is made by the department. If the family fails or refuses to complete the healthy kids application within 3 months of the request, then the department shall deem the family ineligible for participation in the children's special health care services program.

#### **CRIME VICTIM SERVICES COMMISSION**

Sec. 1302. From the funds appropriated in part 1 for justice assistance grants, up to \$200,000.00 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 and training.

Sec. 1304. The department shall work with the department of state police, the Michigan health and 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 services and nutrition 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. (1) The office of services to the aging shall require each region to report to the office of services to the aging and to the legislature 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.

(2) Data required in subsection (1) shall be recorded only for individuals who have applied for participation in the home-delivered meals program and who are initially determined as likely to be eligible for home-delivered meals.

Sec. 1404. The area agencies on aging 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 maintain or expand services, or both.

Sec. 1406. The appropriation of \$4,468,700.00 of merit award trust 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 9% of the amount allocated under this section shall be expended for administration and administrative purposes.

Sec. 1413. Local counties may request 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 pursuant to office of services to the aging policies and procedures for area agency on aging designation. The office of services to the aging shall adjust allocations to area agencies on aging to account for any changes in county membership. The office of services to the aging shall ensure annually that county boards of commissioners are aware that county membership in area agencies on aging can be changed subject to office of services to the aging policies and procedures for area agency on aging designation.

Sec. 1417. The department shall provide to the senate and house appropriations subcommittees on community health, senate and house fiscal agencies, and state budget director a report by March 30 of the current fiscal year that contains all of the following:

- (a) The total allocation of state resources made to each area agency on aging by individual program and administration.
- (b) Detail expenditure by each area agency on aging by individual program and administration including both state-funded resources and locally-funded resources.

Sec. 1418. From the funds appropriated in part 1 for nutrition services, the department shall maximize funding for home-delivered meals to the extent allowable under federal law and regulation.

#### **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 federal poverty level, 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 USC 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.

(4) The department shall modify program policies to permit individuals eligible for the transitional medical assistance plus program, as structured in fiscal year 2009-2010, to access medical assistance coverage through a 100% cost share.

Sec. 1604. (1) A Medicaid recipient shall remain eligible and a qualifying applicant shall be determined eligible for medical assistance during a period of incarceration or detention. Medicaid coverage is limited during such a period to off-site inpatient hospitalization only.

(2) A Medicaid recipient is considered incarcerated or detained until released on bail, released as not guilty, released on parole, released on probation, released on pardon, released upon completing a sentence, or released under home detention or tether.

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 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. The applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

(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. All qualifying applicants shall be entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care shall be paid at the Medicaid fee-for-service rate in the event a contract does not exist between the Medicaid participating obstetrical or prenatal care provider and the managed care plan. The applicant shall receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

(3) 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.

(4) 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.

(5) The department shall develop an enrollment process for pregnant women covered under this section that facilitates the selection of a managed care plan at the time of application.

(6) The department shall mandate enrollment of women, whose qualifying condition is pregnancy, into Medicaid managed care plans.

(7) The department shall encourage physicians to provide women, whose qualifying condition for Medicaid is pregnancy, with a referral to a Medicaid participating dentist at the first pregnancy-related appointment.

Sec. 1610. The department 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 co-payment, 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. 1620. (1) For fee-for-service recipients who do not reside in nursing homes, the pharmaceutical dispensing fee shall be \$2.75 or the pharmacy's usual or customary cash charge, whichever is less. For nursing home residents, the pharmaceutical dispensing fee shall be \$3.00 or the pharmacy's usual or customary cash charge, whichever is less.

(2) The department shall require a prescription co-payment for Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a brand-name drug, except as prohibited by federal or state law or regulation.

(3) It is the intent of the legislature that if the department realizes savings as a result of the implementation of average manufacturer's price for reimbursement of multiple source generic medication dispensing as imposed pursuant to the federal deficit reduction act of 2005, Public Law 109-171, the savings shall be returned to pharmacies in the form of an increased dispensing fee for medications not to exceed \$2.00. The savings shall be calculated as the difference in state expenditure between the current methodology of payment, which is maximum allowable cost, and the proposed new reimbursement method of average manufacturer's price.

Sec. 1621. The department may implement prospective drug utilization review and disease management systems. The prospective drug utilization review, a pharmacist-approved medication therapy program, and disease management systems authorized by this section shall have physician oversight; focus on patient, physician, and pharmacist education; and be developed in consultation with the national pharmaceutical council, Michigan state medical society, Michigan osteopathic association, Michigan pharmacists association, Michigan health and hospital association, and Michigan nurses association.

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. 1627. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 USC 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to participants in the MICHild program, maternal outpatient medical services program, and children's special health care services.

(2) For products distributed by pharmaceutical manufacturers not providing quarterly rebates as listed in subsection (1), the department may require preauthorization.

Sec. 1629. The department shall utilize maximum allowable cost pricing for generic drugs that is based on wholesaler pricing to providers that is available from at least 2 wholesalers who deliver in the state of Michigan.

Sec. 1630. Medicaid coverage for adult dental and podiatric services shall continue at not less than the level in effect on October 1, 2002, except that reasonable utilization limitations may be adopted in order to prevent excess utilization.

Sec. 1631. (1) The department shall require co-payments on dental, podiatric, and vision services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

(2) Except as otherwise prohibited by federal or state law or regulations, the department shall require Medicaid recipients to pay the following co-payments:

- (a) Two dollars for a physician office visit.
- (b) Three dollars for a hospital emergency room visit.
- (c) Fifty dollars for the first day of an inpatient hospital stay.
- (d) One dollar for an outpatient hospital visit.

Sec. 1633. By March 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the feasibility of providing healthy kids dental coverage in cities rather than entire counties.

Sec. 1635. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase in Medicaid reimbursement rates for obstetrical services implemented in fiscal year 2005-2006.

Sec. 1636. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase in Medicaid reimbursement rates for physician well child procedure codes and primary care procedure codes implemented in fiscal year 2006-2007 and fiscal year 2008-2009. The increased reimbursement rates in this section shall not exceed the comparable Medicare payment rate for the same services.

Sec. 1637. (1) All adult Medicaid recipients shall be offered the opportunity to sign a Medicaid personal responsibility agreement.

(2) The personal responsibility agreement shall include at minimum the following provisions:

- (a) That the recipient shall not smoke.
- (b) That the recipient shall attend all scheduled medical appointments.
- (c) That the recipient shall exercise regularly.
- (d) That if the recipient has children, those children shall be up to date on their immunizations.
- (e) That the recipient shall abstain from abusing controlled substances and narcotics.

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. 1642. The department shall allow ambulatory surgery centers in this state to fully participate in the Medicaid program.

Sec. 1643. Of the funds appropriated in part 1 for graduate medical education in the hospital services and therapy line-item appropriation, not less than \$12,585,400.00 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 allowable Medicaid matching funds are provided by the universities.

Sec. 1647. From the funds appropriated in part 1 for medical services, the department shall allocate for graduate medical education not less than the level of rates and payments in effect on April 1, 2005.

Sec. 1648. The department shall maintain and make available an online resource to enable medical providers to obtain enrollment and benefit information of Medicaid recipients. There shall be no charge to providers for the use of the online resource.

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.

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 CFR part 418.

Sec. 1652. Any new contracts with Medicaid health plans negotiated or signed, or both, during the current fiscal year shall include the following provisions regarding expansion of services by the Medicaid HMOs to counties not previously served by that Medicaid HMO:

(a) The Medicaid HMO shall not sell, transfer, or otherwise convey to any person all or any portion of the HMO's assets or business, whether in the form of equity, debt or otherwise, for a period of 3 years from the date the Medicaid HMO commences operations in a new service area.

(b) That any Medicaid HMOs that expand into a county with a population of at least 1,500,000 shall also expand its coverage to a county with a population of less than 100,000 which has 1 or fewer HMOs participating in the Medicaid program.

Sec. 1653. Implementation and contracting for managed care by the department through HMOs shall be 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) 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.

(d) Enrollment of recipients of children's special health care services in HMOs shall continue to be voluntary for those enrolled in the children's special health care services program. Children's special health care services recipients shall be informed of the opportunity to enroll in HMOs.

(e) 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, 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.

(f) 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 regulation that the HMO meets the net worth and financial solvency requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1654. 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.

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.

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 its contracting hospitals nor as a requirement that an HMO must reimburse for services that are not considered to be medically necessary.

Sec. 1658. (1) 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 Medical Services Administration 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 of this act are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, MIChoice long-term care plan, and the mental health, substance abuse, and developmentally disabled services program: 271, 401, 402, 404, 411, 414, 418, 424, 428, 456, 460, 474, 1204, 1607, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1679, 1681, 1684, 1688, 1689, 1690, 1699, 1711, 1739, 1740, 1752, 1756, 1764, 1772, 1783, 1786, 1787, 1815, 1816, 1819, 1820, 1821, 1822, 1824, 1826, and 1835.

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 prohibit HMOs from requiring prior authorization of their contracted providers for any EPSDT screening and diagnosis services.

(4) The department shall require HMOs to be responsible for well child visits 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.

Sec. 1661. (1) The department shall assure that all Medicaid eligible children and pregnant women have timely access to MIHP services. Medicaid HMOs shall assure that MIHP screening is available to their pregnant members and that those women found to meet the MIHP high-risk criteria are offered maternal support services. Local health departments shall assure that MIHP screening is available for Medicaid pregnant women and that those women found to meet the MIHP high-risk criteria are offered MIHP services or are referred to a certified MIHP provider.

(2) The department shall require HMOs to be responsible for the coordination of MIHP services as described in Medicaid policy. These responsibilities shall be specified in the information distributed by the HMOs to their members.

(3) The department shall assure the coordination of MIHP services with the WIC program, state-supported substance abuse, smoking prevention, and violence prevention programs, the department of human services, and any other state or local program with a focus on preventing adverse birth outcomes and child abuse and neglect.

(4) 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 pregnant women.

Sec. 1662. (1) The department shall assure that an external quality review of each contracting HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries.

(2) 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.

(3) 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.

(4) 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 MIHP and EPSDT programs.

(5) The department shall assure that training and technical assistance are available for EPSDT and MIHP for Medicaid health plans, local health departments, and MIHP contractors.

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 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 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.

(3) 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.

(4) 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.

(5) 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.

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

(7) 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.

(8) The department shall assure that an external quality review of each MICHild contractor, as described in subsection (5), is performed, which analyzes and evaluates the aggregated information on quality, timeliness, and access to health care services that the contractor furnished to MICHild beneficiaries.

(9) The department shall develop an automatic enrollment algorithm that is based on quality and performance factors.

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. 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 be less than \$10.00 or exceed \$15.00 for a family.

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. 1678. The department shall explore the cost to implement automatic enrollment in Medicaid or MICHild if the child meets all of the eligibility requirements for Medicaid or MICHild and meets the income eligibility criteria for free breakfast, lunch, or milk as determined under the Richard B. Russell national school lunch act, Public Law 79-396.

Sec. 1679. The department shall redetermine the mental health portion of the rates paid for the MICHild program based on the most recently available encounter data for MICHild enrollees. From the funds appropriated in part 1, the department shall pay CMHSPs rates sufficient to cover the cost of providing care to MICHild enrollees.

Sec. 1680. Payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through the Medicaid nursing home wage pass-through program shall be continued.

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 USC 1396r.

(2) In addition to the appropriations in part 1, 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) The department is authorized to provide civil monetary penalty funds to the disability network of Michigan to be distributed to the 15 centers for independent living for the purpose of assisting individuals with disabilities who reside in nursing homes to return to their own homes.

(4) The department is authorized to use civil monetary penalty funds to conduct a survey evaluating consumer satisfaction and the quality of care at nursing homes. Factors can include, but are not limited to, the level of satisfaction of nursing home residents, their families, and employees. The department may use an independent contractor to conduct the survey.

(5) 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. The department shall submit a report by September 30 of the current fiscal year to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director that will identify by waiver agent, Medicaid home- and community-based services waiver costs by administration, case management, and direct services.

Sec. 1685. All nursing home rates, class I and class III, shall 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. If the patient protection and affordable care act, Public Law 111-148, is repealed or overturned, the department shall study the feasibility, impact, and cost of supporting a Medicaid rate enhancement to be used exclusively to fund affordable, accessible, and adequate health insurance for direct care workers in nursing homes, adult foster care homes, homes for the aged, and home- and community-based services programs. If a study is done under this section, the department shall report its findings and recommendations to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by April 1 of the current fiscal year.

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 services 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 services waiver is not a violation of this section.

Sec. 1689. (1) Priority in enrolling additional persons in the Medicaid home- and community-based services waiver 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 use 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 waiver program.

(2) Within 60 days of the end of each fiscal year, 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 services waiver program by regions as well as the associated expenditures. The report shall include information regarding the net cost savings from moving individuals from a nursing home to the home- and community-based services waiver program, the number of individuals transitioned from nursing homes to the home- and community-based services waiver program, the number of individuals on waiting lists by region for the program, and the amount of funds transferred during the fiscal year. The report shall also include the number of Medicaid individuals served and the number of days of care for the home- and community-based services waiver program and in nursing homes.

(3) The department shall develop a system to collect and analyze information regarding individuals on the home- and community-based services waiver program waiting list to identify the community supports they receive, including, but not limited to, adult home help, food assistance, and housing assistance services and to determine the extent to which these community supports help individuals remain in their home and avoid entry into a nursing home. The department shall provide a progress report on implementation to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1 of the current fiscal year.

(4) The department shall maintain any policies, guidelines, procedures, standards, and regulations in order to limit the self-determination option with respect to the home- and community-based services waiver program to those services furnished by approved home-based service providers meeting provider qualifications established in the waiver and approved by the centers for Medicare and Medicaid services.

Sec. 1690. (1) The department shall submit a report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year, to include all data collected on the quality assurance indicators in the preceding fiscal year for the home- and community-based services waiver program, as well as quality improvement plans and data collected on critical incidents in the waiver program and their resolutions.

(2) The department shall submit a report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year, to include all data collected on the quality assurance indicators in the preceding fiscal year for the adult home help program, as well as quality improvement plans and data collected on critical incidents in the adult home help program and their resolutions.

Sec. 1691. Payment increases provided in previous years to adult home help workers shall be continued.

Sec. 1692. (1) The department 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-based 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. (1) The special Medicaid reimbursement 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.

(2) The department shall ensure that all public entities eligible for special Medicaid reimbursement that participate in the Medicaid program are aware of the existence of these programs.

Sec. 1694. The department shall distribute \$1,122,300.00 to an academic health care system that includes a children's hospital that has a high indigent care volume.

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. (1) The department may make separate payments directly to qualifying hospitals serving a disproportionate share of indigent patients in the amount of \$52,500,000.00, 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.

(2) The department shall allocate \$45,000,000.00 in disproportionate share hospital funding using the distribution methodology used in fiscal year 2003-2004.

(3) The department shall allocate \$7,500,000.00 in disproportionate share hospital funding to unaffiliated hospitals and hospital systems that received less than \$900,000.00 in disproportionate share hospital payments in fiscal year 2007-2008 based on a formula that is weighted proportional to the product of each eligible system's Medicaid revenue and each eligible system's Medicaid utilization, except that no payment of less than \$1,000.00 shall be made.

(4) By September 30 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the 2 pools.

Sec. 1711. The department shall maintain the 2-tier reimbursement methodology for Medicaid emergency physicians professional services that was in effect on September 30, 2002.

Sec. 1712. (1) Subject to the availability of funds, the department shall implement a rural health initiative. Available funds shall first be allocated as an outpatient adjustor payment to be paid directly to hospitals in rural counties in proportion to each hospital's Medicaid and indigent patient population. Additional funds, if available, shall be allocated for defibrillator grants, emergency medical technician training and support, or other similar programs.

(2) Except as otherwise specified in this section, "rural" means a county, city, village, or township with a population of not more than 30,000, including those entities if located within a metropolitan statistical area.

Sec. 1718. The department shall provide each Medicaid adult home help beneficiary or applicant with the right to a fair hearing when the department or its agent reduces, suspends, terminates, or denies adult home help services. If the department takes action to reduce, suspend, terminate, or deny adult home help services, it shall provide the beneficiary or applicant with a written notice that states what action the department proposes to take, the reasons for the intended action, the specific regulations that support the action, and an explanation of the beneficiary's or applicant's right to an evidentiary hearing and the circumstances under which those services will be continued if a hearing is requested.

Sec. 1724. The department shall allow licensed pharmacies to purchase injectable drugs for the treatment of respiratory syncytial virus for shipment to physicians' offices to be administered to specific patients. If the affected patients are Medicaid eligible, the department shall reimburse pharmacies for the dispensing of the injectable drugs and reimburse physicians for the administration of the injectable drugs.

Sec. 1731. The department shall continue an asset test to determine Medicaid eligibility for individuals who are parents, caretaker relatives, or individuals between the ages of 18 and 21 and who are not required to be covered under federal Medicaid requirements.

Sec. 1732. The department shall assure that, if proposed modifications to the quality assurance assessment program for nursing homes are not implemented, the projected general fund/general purpose savings shall not be achieved through reductions in nursing home reimbursement rates.

Sec. 1734. The department shall seek federal money for demonstration programs that will permit this state to provide financial incentives for positive health behavior practiced by Medicaid recipients, including, but not limited to, consumer-driven strategies that enable Medicaid recipients to choose coverage that meets their individual needs and that authorize monetary or other rewards for demonstrating positive health behavior changes.

Sec. 1739. The department shall continue the contractor performance bonus program for Medicaid health plans. The contractor performance bonus program may include indicators based on the prevalent and chronic conditions affecting the Medicaid population and indicators of preventive health status for adults and children.

Sec. 1740. From the funds appropriated in part 1 for health plan services, the department shall assure that all GME funds continue to be promptly distributed to qualifying hospitals using the methodology developed in consultation with the graduate medical education advisory group during fiscal year 2006-2007.

Sec. 1741. The department shall continue to provide nursing homes the opportunity to receive interim payments upon their request. The department shall make efforts to ensure that the interim payments are as similar to expected cost-settled payments as possible.

Sec. 1752. The department shall provide a Medicaid health plan with any information that may assist the Medicaid health plan in determining whether another party may be responsible, in whole or in part, for the payment of health benefits.

Sec. 1756. The department shall establish and implement a specialized case and care management program to serve the most costly Medicaid beneficiaries who are noncompliant with medical management, including persons with chronic diseases and mental health diagnoses, high prescription drug utilizers, members demonstrating noncompliance with previous medical management, and neonates. The case and care management program shall, at a minimum, provide a

performance payment incentive for physicians who manage the recipient's care and health costs in the most effective way. The department may also develop additional contractual arrangements with 1 or more Medicaid HMOs for the provision of specialized case management services. Contracts with Medicaid HMOs may include provisions requiring collection of data related to Medicaid recipient compliance. Measures of patient compliance may include the proportion of clients who fill their prescriptions, the rate of clients who do not show for scheduled medical appointments, and the proportion of clients who use their medication.

Sec. 1757. (1) The department shall direct the department of human services to obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country and that they are residents of this state before approving Medicaid eligibility.

(2) It is the intent of the legislature that the department seek clarification from the federal government on whether states can deny Medicaid eligibility to fugitive felons through a state plan amendment or waiver. The department shall report to the legislature on the results of this effort.

Sec. 1764. The department shall annually certify rates paid to Medicaid health plans as being actuarially sound in accordance with federal requirements and shall provide a copy of the rate certification and approval immediately to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies.

Sec. 1767. The department shall study and evaluate the impact of the change in the way in which the Medicaid program pays pharmacists for prescriptions from average wholesale price to average manufacturer price as required by the federal deficit reduction act of 2005, Public Law 109-171. Upon release of the data by the centers for Medicare and Medicaid services, the department shall submit a report of its study to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies. If the department finds that there is a negative impact on the pharmacists, the department shall reexamine the current pharmaceutical dispensing fee structure established under section 1620 and include in the report recommendations and proposals to counter the negative impact of that federal legislation.

Sec. 1770. In conjunction with the consultation requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and except as otherwise provided in this section, the department shall attempt to make the effective date for a proposed Medicaid policy bulletin or adjustment to the Medicaid provider manual on October 1, January 1, April 1, or July 1 after the end of the consultation period. The department may provide an effective date for a proposed Medicaid policy bulletin or adjustment to the Medicaid provider manual other than provided for in this section if necessary to be in compliance with federal or state law, regulations, or rules or with an executive order of the governor.

Sec. 1772. From the funds appropriated in part 1, the department shall continue a program, the primary goal of which is to enroll all children in foster care in Michigan in a Medicaid HMO.

Sec. 1773. (1) The department shall establish and implement a bid process to identify a single private contractor to provide Medicaid covered nonemergency transportation services in each county with a population over 750,000 individuals.

(2) The department shall reimburse mileage for nonemergency transportation that encourages contractors to participate.

Sec. 1775. The department shall provide a progress report on ongoing efforts to implement long-term managed care initiatives to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1 of the current fiscal year.

Sec. 1777. From the funds appropriated in part 1 for long-term care services, the department shall permit, in accordance with applicable federal and state law, nursing homes to use dining assistants to feed eligible residents if legislation to permit the use of dining assistants is enacted into law. The department shall not be responsible for costs associated with training dining assistants.

Sec. 1783. (1) The department shall develop rates by April 1 of the current fiscal year for the enrollment of individuals dually eligible for Medicare and Medicaid into Medicaid health plans if those health plans also maintain a Medicare advantage special needs plan certified by the centers for Medicare and Medicaid services.

(2) The department shall report quarterly to the house and senate appropriations subcommittees on community health and to the house and senate fiscal agencies the status of the rate development described in subsection (1) and the number of dual eligibles enrolled by month in Medicaid health plans with Medicare advantage special needs plan certification for the current fiscal year.

Sec. 1786. The department shall convene a workgroup to consider reimbursement changes for hospital admissions of less than 24 hours. The workgroup shall include at a minimum the Michigan association of health plans and the Michigan health and hospital association. Any changes adopted by the department must be budget neutral.

Sec. 1787. The department shall require the managed care enrollment broker to maintain telephone numbers of Medicaid beneficiaries and provide each Medicaid health plan with the telephone number of that health plan's enrollees on a monthly basis.

Sec. 1802. The department may spend up to \$100,000.00 on a pilot program targeting Medicaid recipients with certain high-cost or complex health conditions. This pilot shall provide financial incentives to primary care physicians to handle disease management responsibilities for these Medicaid recipients.

Sec. 1804. The department, in cooperation with the department of human services, shall work with the federal public assistance reporting information system to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits.

Sec. 1812. From the funds appropriated in part 1 for medical services administration, up to \$100.00 may be allocated to support a pilot project to develop a regional health care resource sharing network. By encouraging collaboration and partnerships between local hospitals, this network is expected to enable each hospital to maintain independence and community control while sharing best practices and resources. The pilot shall be designed to improve access, improve patient outcomes, and lower costs in a medical home model. The region for the pilot shall encompass 22 counties and have 10 hospitals.

Sec. 1815. From the funds appropriated in part 1 for health plan services, the department may not implement a capitation withhold as part of the overall capitation rate schedule that exceeds the 0.19% withhold administered during fiscal year 2008-2009.

Sec. 1816. The department shall work with the Michigan association of health plans to develop and implement strategies for the use of information technology services for claims payment, claims status, and related functions.

Sec. 1817. The department shall report to the legislature on implementation of a policy that will prohibit billing for care made necessary by preventable medical errors or adverse health events no later than April 1 of the current fiscal year.

Sec. 1819. The department shall use Medicaid health plan encounter data in the development and revision of hospital diagnosis related group pricing policy.

Sec. 1820. The department shall recognize accrediting organizations for Medicaid health plans and shall consider accreditation results when reviewing the performance of Medicaid health plans.

Sec. 1821. The department shall establish appropriate performance standards for Medicaid health plans 6 months in advance of the application of those standards. The determination of performance shall be based on and include such recognized concepts as 1-year continuous enrollment and healthcare effectiveness data and information set audited data.

Sec. 1822. The department, the department's contracted Medicaid pharmacy benefit manager, and all Medicaid health plans shall implement coverage for a mental health prescription drug within 30 days of that drug's approval by the department's pharmacy and therapeutics committee.

Sec. 1824. Individuals who live in homes for the aged or adult foster care facilities shall be eligible to apply for enrollment for services from the home- and community-based waiver program.

Sec. 1826. The department shall develop a plan to expand and improve the beneficiary monitoring program. This plan shall include cost-effective methods to monitor and reduce unnecessary health care services, including prescription drugs, improve coordination of services between the primary care physician and mental health and substance abuse service providers, and improve compliance with prescribed medical management to reduce more costly use of emergency services. The department shall submit this plan to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year.

Sec. 1829. Notwithstanding the removal of coverage for certain optional Medicaid services, the department shall continue its policy of providing coverage for emergency services. For this purpose, the department shall continue to adhere to the guidelines outlined in Medical Services Administration policy bulletin MSA 09-28.

Sec. 1832. (1) The department shall continue efforts to standardize billing formats, referral forms, electronic credentialing, primary source verification, electronic billing and attachments, claims status, eligibility verification, and reporting of accepted and rejected encounter records received in the department data warehouse.

(2) The department shall convene a workgroup on making e-billing mandatory for the Medicaid program. The workgroup shall include representatives from medical provider organizations, Medicaid HMOs, and the department. The department shall report to the legislature on the findings of the workgroup by April 1 of the current fiscal year.

(3) The department shall provide a report by April 1 of the current fiscal year to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies detailing the percentage of claims for Medicaid reimbursement provided to the department that were initially rejected in the first quarter of fiscal year 2010-2011.

Sec. 1834. Individuals dually eligible for Medicaid and Medicare who are enrolled in a Medicare advantage special needs plan shall be eligible for services provided through the home- and community-based waiver program.

Sec. 1835. The department shall develop and implement processes to report rejected and accepted encounters to Medicaid health plans. Medicaid health plans shall be permitted to report additional medical records data obtained during medical record audits to the encounter warehouse consistent with Medicare guidelines.

Sec. 1836. In addition to the guidelines established in Medical Services Administration bulletin MSA 09-28, medically necessary optical devices and other treatment services for adult Medicaid patients shall be covered when conventional treatments do not provide functional vision correction. Such ocular conditions include, but are not limited to, congenital or acquired ocular disease or eye trauma.

Sec. 1837. The department shall explore utilization of telemedicine as a strategy to increase access to primary care services for Medicaid recipients in medically underserved areas.

Sec. 1838. (1) The department shall convene a workgroup consisting of nursing home provider representatives, including aging services of Michigan, the health care association of Michigan, and the Michigan county medical care facilities council, to identify possible budget-neutral changes in reimbursement for long-term care facilities. This workgroup shall first develop a case mix adjustment system to establish a level playing field for other possible reimbursement changes. These changes may include the provision of incentive payments to long-term care facilities considering measures of service

quality, cost efficiency, volume of Medicaid beneficiaries served, and demonstrated commitment to underserved areas of the state or by examining the current long-term care reimbursement system and reviewing alternative reimbursement methodologies, or both.

(2) The department shall provide an update on the efforts of the workgroup required in subsection (1) with its presentation of the executive budget recommendation to the senate and house appropriations subcommittees on community health.

Sec. 1839. (1) The department shall work with relevant parties to explore the feasibility of seeking a modification of the demonstration waiver authorizing the Medicaid adult benefits waiver to expand physical and mental health coverage to childless adults with serious mental illness.

(2) The department shall provide an update of the findings associated with the requirements in subsection (1), including an estimate of any change in program general fund/general purpose cost and the number of individuals accessing physical health insurance, with its presentation of the executive budget recommendation to the senate and house appropriations subcommittees on community health.

Sec. 1841. The department shall report to the legislature on the fiscal impact of federal health reform legislation that has been implemented on the department’s budget. This report shall be provided to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by April 1 of the current fiscal year.

Sec. 1842. (1) Subject to the availability of funds, the department shall adjust the hospital outpatient Medicaid reimbursement rate for qualifying hospitals as provided in this section. The Medicaid reimbursement rate for qualifying hospitals shall be adjusted to provide each qualifying hospital with its actual cost of delivering outpatient services to Medicaid recipients.

(2) As used in this section, “qualifying hospital” means a hospital that has not more than 50 staffed beds and is either located outside a metropolitan statistical area or in a metropolitan statistical area but within a city, village, or township with a population of not more than 12,000 according to the official 2000 federal decennial census and within a county with a population of not more than 165,000 according to the official 2000 federal decennial census.

Sec. 1843. The department shall explore the possibility of Medicaid reimbursement for wellness therapies that are designed to lower the state’s cost for Medicaid physical therapy. As used in this section, “wellness therapies” includes, but is not limited to, nutrition counseling, smoking cessation, support groups, and lifestyle management.

Sec. 1844. If 2 or more vendors submit substantially similar bids in the bidding process for health information technology contracts that are proposed by the department and supported with ARRA funds, the department shall give preference, as permitted by law, to vendors established in this state.

Sec. 1846. Contingent upon federal approval, the department shall create a 1-time pool for distribution of disproportionate share hospital funding. The pool, totaling \$27,000,000.00, shall be used to increase the existing outpatient uncompensated care pool to \$87,000,000.00.

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

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2011; 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.

Roger Kahn  
John Pappageorge  
Deborah Cherry  
Conferees for the Senate

Gary McDowell  
George Cushingberry, Jr.  
Kevin Green  
Conferees for the House

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

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

**Roll Call No. 425**

**Yeas—28**

Allen  
Anderson

Cherry  
Cropsey

Jansen  
Jelinek

Pappageorge  
Prusi

Barcia	Garcia	Kahn	Richardville
Birkholz	Gilbert	Kuipers	Sanborn
Bishop	Gleason	McManus	Stamas
Brater	Hardiman	Nofs	Switalski
Brown	Jacobs	Olshove	Van Woerkom

**Nays—10**

Basham	Clarke	Patterson	Thomas
Cassis	George	Scott	Whitmer
Clark-Coleman	Hunter		

**Excused—0****Not Voting—0**

In The Chair: President

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.

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

The motion prevailed.

Senator Kahn's statement is as follows:

Senate Bill No. 1152, the Department of Community Health budget, for next year was finished today and voted out of the conference committee. It was voted out, I am happy to say, unanimously. I would like to thank the vice chairs, Senators Pappageorge and Cherry for their insights and improvements in the ultimate bill.

You might remember that last year this was a very difficult and contentious bill. How did it come to be that it was passed unanimously? Some of the areas within this bill that we had concerns about, in particular, the community mental health General Fund line, was substantially improved. In the past, we had as much as \$50 million in reductions and this was reduced, I am happy to say, to a mere \$2 million.

We came in at the adjusted target of \$2.421 million, as per the conference committee recommendations from leadership. There was only one small cut to the Healthy Michigan Fund as originally proposed by the executive. The rest of the programming was preserved. Medicaid and other programs based on cost estimates were fully funded.

Where did we find the reductions to meet the target? This was done through the actuarial soundness line which, thankfully, we were able to use as a method for generating original funds. How? When it was originally proposed in the Governor's budget in February, they had to be estimated because this is a re-basing year, and the actual numbers were not available. They are available now and showed a nearly \$50 million savings at the end of the day.

How about public health? The reduction to public health was markedly reduced, and, in fact, it is only a \$1 million reduction which, if you will remember, last year, we had a \$1 million increase. Over a two-year period of time, public health has been whole—no increase, no decrease.

There was a proposal from the executive to eliminate human growth hormone funding and the children's special health care program. That was restored. Services for transportation were largely restored.

So at the end of the day, this particular budget is much-improved from the concerns that we had earlier. As a last note, adult dental is restored; podiatric services, restored; vision coverage, restored as per the request of the optometry community; and the second distribution pool which was vetoed last year is, in fact, restored as well.

These improvements, I think, warrant all of our votes in support of this bill, and I urge passage by the Senate.

Senator Cherry's statement is as follows:

This budget is one, as you know, over the many years, I have not voted for—in recent years that's for sure; at least not in the past three years. I just had a colleague comment to me that they can't believe this passed the conference committee unanimously, but I want to tell you why it did.

This budget, when it left the Senate, had huge cuts in it that I and many of us found to be just too much. They hurt citizens, and they put people in danger. Most of this was restored within the conference report. I want to thank the chair of the committee for his work with everyone and for being able to come up with these changes so that we have a budget. Well over the past years, we have been cutting, cutting, cutting. So this budget, I don't want to say is the answer to everything because we still have been working with limited dollars, and there are still long waiting lists in Aging and still problems throughout the mental health system where we are not fully funding it, but at least in this budget, we did not hurt them even more.

So because of this, I am voting "yes" for this budget. I would like to put this on record, however, because I think it is important for the next Legislature, of which very few of us will be a part of, because they need to look at this budget and these services as vital to the state of Michigan. They need to find a way to come up with the resources necessary to provide mental health services, health care to children with special needs, fully provide Medicaid services to the population to take care of benefit waivers, caretaker relatives, and 19- and 20-year-olds, and to make sure we are providing those services.

So while it is not the best budget in the world, given the resources that are available, it is a pretty good budget. So, Mr. President, I am voting for it and ask my colleagues to do so.

Senator Cropsey submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 1153, 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, 2011; 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.

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 corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2011; 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.

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 corrections for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CORRECTIONS

APPROPRIATION SUMMARY

Average Michigan population.....	44,181	
Average out-of-state population.....	1,320	
Full-time equated unclassified positions.....	21.0	
Full-time equated classified positions .....	15,856.5	
GROSS APPROPRIATION .....		\$ 2,007,983,600
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		915,400
ADJUSTED GROSS APPROPRIATION .....		\$ 2,007,068,200
Federal revenues:		
Total federal revenues.....		7,868,500
Special revenue funds:		
Total local revenues .....		443,100

	For Fiscal Year Ending Sept. 30, 2011
Total private revenues.....	\$ 0
Total other state restricted revenues.....	80,327,100
State general fund/general purpose .....	\$ 1,918,429,500
<b>Sec. 102. EXECUTIVE</b>	
Full-time equated unclassified positions..... 21.0	
Full-time equated classified positions .....	52.0
Unclassified positions—21.0 FTE positions .....	\$ 1,812,100
Executive direction—52.0 FTE positions.....	6,350,200
Neal, et al. settlement agreement .....	10,000,000
GROSS APPROPRIATION.....	\$ 18,162,300
Appropriated from:	
State general fund/general purpose .....	\$ 18,162,300
<b>Sec. 103. PLANNING AND COMMUNITY SUPPORT</b>	
Full-time equated classified positions .....	12.0
Mental health awareness training .....	\$ 100,000
MPRI residential stability.....	7,251,300
MPRI employment readiness.....	7,265,100
MPRI social support.....	4,861,000
MPRI health and behavioral health.....	3,357,700
MPRI operations support.....	3,848,400
MPRI other projects .....	27,126,200
MPRI federal grants .....	1,035,000
Substance abuse testing and treatment services—12.0 FTE positions .....	24,071,900
Residential services .....	18,075,500
Community corrections comprehensive plans and services .....	13,958,000
Public education and training.....	50,000
Regional jail program.....	100
Felony drunk driver jail reduction and community treatment program .....	1,740,100
County jail reimbursement program.....	16,572,100
GROSS APPROPRIATION.....	\$ 129,312,400
Appropriated from:	
Federal revenues:	
DOJ, office of justice programs, RSAT.....	143,900
DOJ, prisoner reintegration .....	1,035,000
Special revenue funds:	
Civil infraction fees .....	5,900,000
State general fund/general purpose .....	\$ 122,233,500
<b>Sec. 104. OPERATIONS SUPPORT ADMINISTRATION</b>	
Full-time equated classified positions .....	163.9
Operations support administration—49.0 FTE positions .....	\$ 4,861,500
New custody staff training .....	3,623,800
Compensatory buyout and union leave bank.....	100
Worker’s compensation.....	16,152,800
Bureau of fiscal management—97.9 FTE positions .....	9,437,300
Office of legal services—6.0 FTE positions .....	1,140,700
Internal affairs—11.0 FTE positions .....	1,169,700
Rent .....	2,095,200
Equipment and special maintenance.....	2,425,500
Administrative hearings officers.....	3,631,100
Judicial data warehouse user fees .....	50,000
Interdepartmental grant to judiciary.....	1,000,000
Interdepartmental grant to legislative auditor general.....	500,000
Interdepartmental grant to corrections ombudsman .....	250,000
Sheriffs’ coordinating and training office .....	500,000
Prosecutorial and detainer expenses.....	4,051,000
GROSS APPROPRIATION.....	\$ 50,888,700

For Fiscal Year  
Ending Sept. 30,  
2011

Appropriated from:

Interdepartmental grant revenues:

IDG-MDSP, Michigan justice training fund.....	\$	298,400
Special revenue funds:		
Local corrections officer training fund.....		500,000
Correctional industries revolving fund.....		508,100
State general fund/general purpose .....	\$	49,582,200

**Sec. 105. FIELD OPERATIONS ADMINISTRATION**

Full-time equated classified positions .....		2,193.9
Field operations—2,023.9 FTE positions.....	\$	178,661,200
Parole board operations—50.0 FTE positions.....		4,676,300
Parole/probation services.....		2,243,500
Community re-entry centers—59.0 FTE positions.....		14,762,600
Electronic monitoring center—61.0 FTE positions.....		17,156,400
GROSS APPROPRIATION .....	\$	217,500,000

Appropriated from:

Special revenue funds:

Local - community tether program reimbursement.....		443,100
Re-entry center offender reimbursements.....		139,500
Parole and probation oversight fees .....		8,300,000
Parole and probation oversight fees set-aside .....		2,643,500
Public works user fees.....		249,400
Tether program participant contributions .....		3,033,800
State general fund/general purpose .....	\$	202,690,700

**Sec. 106. CORRECTIONAL FACILITIES ADMINISTRATION**

Full-time equated classified positions .....		1,402.8
Correctional facilities administration—29.0 FTE positions .....	\$	8,796,800
Prison food service—414.0 FTE positions.....		67,632,700
Transportation—215.6 FTE positions.....		19,201,300
Central records—53.5 FTE positions .....		4,178,400
DOJ psychiatric plan - MDCH mental health services .....		40,527,800
DOJ psychiatric plan - MDOC staff and services—149.7 FTE positions.....		17,837,800
Inmate legal services.....		715,900
Loans to parolees.....		179,400
Housing inmates in federal institutions .....		793,900
Prison store operations—75.0 FTE positions .....		5,070,000
Prison industries operations—214.0 FTE positions .....		20,699,600
Education services and federal education grants—10.0 FTE positions .....		3,451,800
Federal school lunch program .....		712,800
Leased beds and alternatives to leased beds .....		100
Inmate housing fund.....		100
Education program—242.0 FTE positions .....		30,223,100
GROSS APPROPRIATION .....	\$	220,021,500

Appropriated from:

Interdepartmental grant revenues:

IDG-MDCH, forensic center food service .....		617,000
Federal revenues:		
DAG-FNS, national school lunch.....		712,800
DED-OESE, title 1 .....		529,100
DED-OVAE, adult education.....		903,600
DED-OSERS .....		109,300
DED, vocational education equipment.....		280,700
DED, youthful offender/Specter grant.....		1,307,400
DOJ-BOP, federal prisoner reimbursement .....		211,000
DOJ-OJP, serious and violent offender reintegration initiative .....		10,400
DOJ, prison rape elimination act grant .....		1,004,300
SSA-SSI, incentive payment .....		139,600



	For Fiscal Year Ending Sept. 30, 2011
Special revenue funds:	
Correctional industries revolving fund .....	\$ 20,800,100
Resident stores.....	4,969,500
State general fund/general purpose .....	\$ 188,426,700
<b>Sec. 107. HEALTH CARE</b>	
Full-time equated classified positions .....	1,162.0
Health care administration—14.0 FTE positions .....	\$ 3,141,100
Prisoner health care services .....	90,095,500
Vaccination program.....	691,200
Interdepartmental grant to human services, eligibility specialists .....	100,000
Northern region clinical complexes—366.6 FTE positions .....	42,645,200
Southern region clinical complexes—781.4 FTE positions .....	117,057,000
GROSS APPROPRIATION .....	\$ 253,730,000
Appropriated from:	
Special revenue funds:	
Prisoner health care copayments .....	349,000
State general fund/general purpose .....	\$ 253,381,000
<b>Sec. 108. NORTHERN REGION CORRECTIONAL FACILITIES</b>	
Average Michigan population.....	18,744
Average out-of-state population.....	1,320
Full-time equated classified positions .....	4,613.4
Alger maximum correctional facility - Munising—268.0 FTE positions .....	\$ 27,066,000
Average population .....	841
Baraga maximum correctional facility - Baraga—332.1 FTE positions .....	31,596,600
Average population .....	863
Earnest C. Brooks correctional facility - Muskegon—453.0 FTE positions .....	45,554,500
Average population .....	2,365
Chippewa correctional facility - Kincheloe—459.4 FTE positions.....	46,324,400
Average population .....	2,118
Kinross correctional facility - Kincheloe—355.0 FTE positions .....	35,848,600
Average population .....	1,858
Marquette branch prison - Marquette—350.1 FTE positions.....	37,750,200
Average population .....	1,158
Muskegon correctional facility - Muskegon—238.0 FTE positions.....	29,871,600
Average population .....	1,320
Newberry correctional facility - Newberry—270.9 FTE positions .....	26,290,600
Average population .....	1,066
Oaks correctional facility - Eastlake—309.0 FTE positions .....	34,067,400
Average population .....	1,074
Ojibway correctional facility - Marenisco—208.9 FTE positions .....	19,409,400
Average population .....	1,079
Pine River correctional facility - St. Louis—414.9 FTE positions .....	39,675,800
Average population .....	2,400
Pugsley correctional facility - Kingsley—224.0 FTE positions .....	20,894,600
Average population .....	1,329
Saginaw correctional facility - Freeland—314.8 FTE positions .....	31,590,300
Average population .....	1,457
St. Louis correctional facility - St. Louis—325.3 FTE positions .....	32,511,300
Average population .....	1,136
Northern region administration and support—90.0 FTE positions .....	7,023,500
GROSS APPROPRIATION .....	\$ 465,474,800
Appropriated from:	
Special revenue funds:	
State restricted fees, out-of-state prisoners .....	29,871,600
Public works user fees.....	530,200
State general fund/general purpose .....	\$ 435,073,000

For Fiscal Year  
Ending Sept. 30,  
2011

**Sec. 109. SOUTHERN REGION CORRECTIONAL FACILITIES**

Average population .....	25,437	
Full-time equated classified positions .....	6,256.5	
Bellamy Creek correctional facility - Ionia—399.4 FTE positions .....		\$ 39,211,800
Average population .....	1,820	
Carson City correctional facility - Carson City—458.1 FTE positions .....		46,718,900
Average population .....	2,300	
Cooper street correctional facility - Jackson—275.9 FTE positions.....		28,744,600
Average population .....	1,725	
G. Robert Cotton correctional facility - Jackson—405.5 FTE positions .....		39,188,800
Average population .....	1,846	
Charles E. Egeler correctional facility - Jackson—358.3 FTE positions .....		39,368,200
Average population .....	1,208	
Richard A. Handlon correctional facility - Ionia—235.4 FTE positions .....		23,935,300
Average population .....	1,262	
Gus Harrison correctional facility - Adrian—450.7 FTE positions .....		45,605,000
Average population .....	2,196	
Huron Valley correctional complex - Ypsilanti—564.7 FTE positions .....		58,047,600
Average population .....	1,790	
Ionia maximum correctional facility - Ionia—306.7 FTE positions .....		30,727,100
Average population .....	654	
Lakeland correctional facility - Coldwater—474.8 FTE positions.....		46,453,600
Average population .....	2,466	
Macomb correctional facility - New Haven—307.3 FTE positions .....		29,853,100
Average population .....	1,244	
Maxey/Woodland Center correctional facility - Whitmore Lake—272.2 FTE positions .....		25,519,200
Average population .....	328	
Michigan reformatory - Ionia—323.1 FTE positions.....		32,613,000
Average population .....	1,261	
Mound correctional facility - Detroit—286.4 FTE positions .....		25,528,000
Average population .....	1,035	
Parnall correctional facility - Jackson—269.2 FTE positions.....		27,190,500
Average population .....	1,678	
Ryan correctional facility - Detroit—284.8 FTE positions .....		28,807,100
Average population .....	1,048	
Thumb correctional facility - Lapeer—288.0 FTE positions .....		29,427,800
Average population .....	1,176	
Special alternative incarceration program (Camp Cassidy Lake)—120.0 FTE positions .....		10,965,800
Average population .....	400	
Southern region administration and support—176.0 FTE positions .....		22,928,100
<b>GROSS APPROPRIATION .....</b>		<b>\$ 630,833,500</b>

Appropriated from:

Federal revenues:

DOJ, state criminal alien assistance program.....	1,481,400
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Special revenue funds:

Public works user fees.....	1,754,000
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State general fund/general purpose .....	\$ 627,598,100
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**Sec. 110. INFORMATION TECHNOLOGY**

Information technology services and projects .....	\$ 22,060,400
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<b>GROSS APPROPRIATION .....</b>	<b>\$ 22,060,400</b>
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Appropriated from:

Special revenue funds:

Correctional industries revolving fund .....	158,400
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Parole and probation oversight fees set-aside .....	620,000
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State general fund/general purpose .....	\$ 21,282,000
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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 2010-2011 is \$1,998,756,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$92,562,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS

Field operations - assumption of county probation staff.....	\$ 51,579,200
Public service work projects .....	5,140,200
Community corrections comprehensive plans and services .....	13,958,000
Community corrections residential services.....	18,075,500
Community corrections public education and training.....	50,000
Felony drunk driver jail reduction and community treatment program .....	1,740,100
Community re-entry centers .....	2,019,600
Regional jail program.....	100
TOTAL.....	\$ 92,562,700

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) "Administrative segregation" means confinement for maintenance of order or discipline to a cell or room apart from accommodations provided for inmates who are participating in programs of the facility.

(b) "Cost per prisoner" means the sum total of the funds appropriated under part 1 for the following, divided by the projected prisoner population in fiscal year 2010-2011:

- (i) Northern and southern region correctional facilities.
- (ii) Northern and southern region administration and support.
- (iii) Northern and southern region clinical complexes.
- (iv) Prisoner health care services.
- (v) Health care administration.
- (vi) Vaccination program.
- (vii) Prison food service and federal school lunch program.
- (viii) Transportation.
- (ix) Inmate legal services.
- (x) Correctional facilities administration.
- (xi) Central records.
- (xii) DOJ psychiatric plan.
- (xiii) Worker's compensation.
- (xiv) New custody staff training.
- (xv) Prison store operations.
- (xvi) Education services and federal education grants.
- (xvii) Education program.

(c) "DAG" means the United States department of agriculture.

(d) "DAG-FNS" means the DAG food and nutrition service.

(e) "DED" means the United States department of education.

(f) "DED-OESE" means the DED office of elementary and secondary education.

(g) "DED-OSERS" means the DED office of special education and rehabilitative services.

(h) "DED-OVAE" means the DED office of vocational and adult education.

(i) "Department" or "MDOC" means the Michigan department of corrections.

(j) "DOJ" means the United States department of justice.

(k) "DOJ-BOP" means the DOJ bureau of prisons.

(l) "DOJ-OJP" means the DOJ office of justice programs.

(m) "Evidence-based practices" or "EBP" means a decision-making process that integrates the best available research, clinician expertise, and client characteristics.

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

(o) "GED" means general educational development certificate.

(p) "Goal" means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce repeat offending, criminogenic and high-risk behaviors, prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.

(q) "GPS" means global positioning system.

- (r) "HIV" means human immunodeficiency virus.
- (s) "IDG" means interdepartmental grant.
- (t) "IDT" means intradepartmental transfer.
- (u) "Jail" means a facility operated by a local unit of government for the physical detention and correction of persons charged with or convicted of criminal offenses.
- (v) "MDCH" means the Michigan department of community health.
- (w) "Medicaid benefit" means a benefit paid or payable under a program for medical assistance under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.
- (x) "MDSP" means the Michigan department of state police.
- (y) "MPRI" means the Michigan prisoner reentry initiative.
- (z) "Objective risk and needs assessment" means an evaluation of an offender's criminal history; the offender's non-criminal history; and any other factors relevant to the risk the offender would present to the public safety, including, but not limited to, having demonstrated a pattern of violent behavior, and a criminal record that indicates a pattern of violent offenses.
- (aa) "Offender eligibility criteria" means particular criminal violations, state felony sentencing guidelines descriptors, and offender characteristics developed by advisory boards and approved by local units of government that identify the offenders suitable for community corrections programs funded through the office of community corrections.
- (bb) "Offender success" means that an offender has done all of the following:
  - (i) Regularly reported to his or her assigned field agent.
  - (ii) Is participating in or has successfully completed all required substance abuse, mental health, sex offender, or other treatment as approved by the field agent.
  - (iii) Not sent or returned to prison for the conviction of a new crime or the revocation of probation or parole.
  - (iv) Not been sentenced to a jail term for a new criminal offense.
  - (v) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.
  - (vi) Obtained housing.
- (cc) "Offender target population" means felons or misdemeanants who would likely be sentenced to imprisonment in a state correctional facility or jail, who would not likely increase the risk to the public safety based on an objective risk and needs assessment that indicates that the offender can be safely treated and supervised in the community.
- (dd) "Offender who would likely be sentenced to imprisonment" means either of the following:
  - (i) A felon or misdemeanor who receives a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail, according to historical local sentencing patterns.
  - (ii) A currently incarcerated felon or misdemeanor who is granted early release from incarceration to a community corrections program or who is granted early release from incarceration as a result of a community corrections program.
- (ee) "Programmatic success" means that the department program or initiative has ensured that the offender has accomplished all of the following:
  - (i) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.
  - (ii) Obtained housing.
  - (iii) Obtained a state identification card.
- (ff) "Recidivism" means any of the following:
  - (i) The arrest and conviction of a supervised individual for a new offense while under community supervision.
  - (ii) The adjudication of a supervised individual for a violation of the conditions of supervision while under community supervision.
  - (iii) A sanction resulting from a violation of terms of supervision that results in a return to prison without being adjudicated.
- (gg) "RSAT" means residential substance abuse treatment.
- (hh) "Serious emotional disturbance" means that term as defined in section 100d(2) of the mental health code, 1974 PA 328, MCL 330.1100d.
- (ii) "Serious mental illness" means that term as defined in section 100d(3) of the mental health code, 1974 PA 328, MCL 330.1100d.
- (jj) "SSA" means the United States social security administration.
- (kk) "SSA-SSI" means SSA supplemental security income.

Sec. 204. The civil service commission shall bill departments and agencies at the end of the first fiscal quarter for the charges 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. 204a. (1) The department shall collaborate with the civil service commission and the department of civil service to review the compensation rates for health care professionals who provide direct health care services to prisoners within

the corrections system, including, but not limited to, doctors, all nursing professionals, pharmacists, pharmacy technicians, and psychologists. The review shall include health care professionals employed by the state as well as those employed through state contractors. These rates shall be compared to available data on compensation rates for comparable medical professionals in the private sectors who provide services to the general public to estimate any disparity in compensation.

(2) Following the review, the department shall make recommendations on changes needed to the state compensation plan for health care professional positions and to department contracts with health care providers so that compensation levels are sufficient to ensure that needed health care professional positions with vacancies are filled, that the department experiences adequate retention levels for these positions, and that necessary health care services are delivered in a timely manner to the prisoner population. A report outlining these recommendations shall be submitted to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget office by May 1, 2011.

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 may grant exceptions to the hiring freeze when the state budget director believes that this 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 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. The department shall not engage in intimidation or take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 207. At least 90 days before beginning any effort to privatize, except for the current effort to privatize and contract for prisoner mental health services that is necessitated by the critical need for prisoner mental health treatment staff, the department shall submit a complete project plan to the appropriate senate and house 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 appropriations subcommittees and the senate and house fiscal agencies within 30 months. In the case of the current effort to privatize and contract for prisoner mental health services, the department shall submit a complete project plan to the appropriate senate and house appropriations committee chairs and appropriate senate and house appropriations subcommittee chairs as well as the senate and house fiscal agencies and state budget office 10 days prior to beginning the effort.

Sec. 207a. (1) Before privatizing any services or activities currently provided by state employees in the department, except for the privatization of prisoner mental health services that is necessitated by a critical shortage of mental health professional staff, the department shall submit to the senate and house appropriations committees a preprivatization cost-benefit analysis. This analysis shall utilize accurate, reliable, and objective data. Included in this analysis shall be a comparative estimate of the costs that will be incurred by this state over the life of the contract if 1 or both of the following occur:

(a) The service or activity continues to be provided by state employees.

(b) The service or activity is privatized. The costs of privatizing these services shall include the costs of all necessary monitoring and oversight of the private entity by this state.

(2) The department shall not commence any efforts to privatize the services or activities currently provided by state employees under part 1, except for prisoner mental health services, until the cost-benefit analysis prescribed by subsection (1) has been sent to both the senate and house appropriations committees 14 days prior to the efforts to privatize, and proves a cost savings equivalent to the savings specified in civil service rules for disbursement for personal services outside the civil service. Before awarding a contract for the provision of prisoner mental health treatment services, a cost-benefit analysis shall be completed as specified in subsection (1) and submitted to the appropriate senate and house appropriations committee chairs and appropriate senate and house appropriations subcommittee chairs as well as the senate and house fiscal agencies and state budget office not less than 7 days prior to awarding a contract.

(3) In all cases in which a service or activity is privatized, including the provision of prisoner mental health services, the private entity shall be adequately bonded, so as not to expose the state to any potential future liability or legal causes of action.

(4) A private contractor with a contract with this state that expends state or federal tax dollars shall have all records pertinent to state contracts, including all records detailing compliance with section 209, be subject to disclosure to the department or the department of management and budget.

(5) State employees shall be given the opportunity to bid on contracts that privatize services that are or were provided by state employees. If the contract is awarded to any state employee, he or she ceases being an employee of the state.

Sec. 208. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement 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. There shall be at least 1 separate and distinct electronic file for each section that includes a reporting requirement.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if comparable quality American goods or services, or both, that do not cost more than 5% greater than foreign goods or services are available. Preference shall be given to produce, goods or services, or both, grown, processed, manufactured, or provided by Michigan businesses if they are of comparable quality and do not cost more than 5% greater than non-Michigan manufactured or provided goods or services. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. (1) Individuals seeking employment with the department shall submit to a controlled substance test administered by the department under civil service rules and regulations and applicable collective bargaining agreements.

(2) The department shall deny employment to individuals seeking employment with the department who violate subsection (1) or who submit to testing under subsection (1) but test positive for the illicit use of a controlled substance.

Sec. 211. (1) The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, and union steward activities. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

(2) If a parolee or probationer has been ordered to pay restitution, the department shall ensure that payment is a condition of his or her community supervision. Restitution payments shall be made as provided in section 22 of chapter XV of the code of criminal procedure, 1927 PA 175, MCL 775.22. The department shall collect not more than 50% of all money collected from parolees and probationers for payments other than victim payments, as that term is defined in section 22 of chapter XV of the code of criminal procedure, 1927 PA 175, MCL 775.22.

Sec. 212. (1) On a quarterly basis, each executive branch department and agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies.

(2) From the funds appropriated in part 1, each executive branch department and agency shall develop, post, and maintain on a user-friendly and publicly accessible Internet site all expenditures made by the departments and agencies within a fiscal year. The posting shall include the purpose for which each expenditure is made. Funds appropriated in part 1 from the federal American recovery and reinvestment act of 2009, Public Law 111-5, shall also be included on a publicly accessible website maintained by the Michigan economic recovery office. Departments and agencies shall not provide financial information on their websites under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that section.

Sec. 213. By February 15, 2011, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a report detailing non-general fund/general purpose sources of revenue, including, but not limited to, federal revenues, state restricted revenues, local and private revenues, offender reimbursements and other payments, revolving funds, and 1-time sources of revenue, whether or not those revenues were appropriated. The report shall include statements detailing for each account the total amount of revenue received during fiscal year 2009-2010, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2009-2010, the account balance at the close of fiscal year 2009-2010, and the projected revenues and expenditures for fiscal year 2010-2011.

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

Sec. 215. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department of corrections 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. (1) Due to the current budgetary problems of this state, out-of-state travel for the fiscal year ending September 30, 2011 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states for similar reasons.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, or both, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

(2) Not later than January 1, 2011, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 217. 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 deprived and depressed communities for services, supplies, or both. The director of the department shall strongly encourage certified firms with which the department contracts to provide services or supplies, or both, in deprived and depressed communities to help parolees or probationers progress to success by hiring, participating with MPRI training programs, or assisting with other community involvement opportunities.

Sec. 219. Any contract for prisoner telephone services entered into after the effective date of this act shall include a condition that fee schedules for prisoner telephone calls, including rates and any surcharges other than those necessary to meet special equipment costs, be the same as fee schedules for calls placed from outside of correctional facilities.

Sec. 222. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes. If outside counsel is utilized, the department shall provide a detailed report to the legislature specifying expenditures incurred.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 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 \$2,000,000.00 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 \$2,000,000.00 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. 224. By March 1, 2011, the department shall provide a litigation report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall identify all lawsuits adjudicated through the trial court phase in which the department or an employee acting on behalf of the department was a defendant and in which trial court proceedings resulted in a decision of \$250,000.00 or more against the department.

Sec. 225. (1) The department shall make every effort to place employees displaced by any reductions in force within other positions in the department.

(2) It is the intent of the legislature that all employees displaced by any reductions in force who are not placed within other positions in the department be given priority in state programs for job retraining or education, such as the no worker left behind program.

Sec. 230. (1) From the funds appropriated in part 1, the department shall complete the study required by section 230 of 2008 PA 245. The study shall cover at least 1 county jail in each of the department's 3 administrative regions within the state and at a minimum shall be based on a representative random sample of county jail inmates. To the extent that such information would not conflict with state law on confidentiality for inmates included in the study, at a minimum, the study shall be sufficient to provide all of the information required by subsection (2). In the process of study design, development, and implementation, the department shall assure involvement of and consultation from counties, sheriffs, prosecutors, victims, and consumer, family, advocacy, provider, and professional groups concerned with mental health and justice issues. The methodological basis for the study shall include all of the following:

(a) Diagnostic clinical interviews with all of the inmates in the study.

(b) Reviews of the criminal history records of all of the inmates in the study.

(c) Reviews of the medical and mental health records of all of the inmates in the study, as available.

(2) By September 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the results and findings of the study, including, at a minimum, information on all of the following, to the extent that the information does not conflict with state law on confidentiality for the inmates included in the study:

(a) Study methodology, including information on the sample size and counties sampled.

(b) The proportion of county jail inmates with a primary diagnosis of mental illness, the proportion of inmates with a primary diagnosis of addiction disorder, and the proportion of inmates with a dual diagnosis of mental illness and addiction disorder.

(c) For each category of inmates listed in subdivision (b), all of the following information:

(i) The proportion considered to currently require treatment and the percentage in need of treatment who are currently receiving it. Information on inmates currently receiving treatment shall identify whether the inmates are receiving inpatient, residential, or outpatient treatment. Treatment information on inmates with a dual diagnosis shall identify whether inmates are receiving mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, or substance abuse outpatient treatment.

(ii) Data indicating how many inmates previously had been hospitalized in a state or private psychiatric hospital for persons with mental illness.

(iii) Data indicating whether and with what frequency inmates previously had been incarcerated in a jail or committed to the department of corrections.

(iv) Data indicating whether inmates previously had received services managed by a community mental health program or substance abuse coordinating agency.

Sec. 232. By April 1, 2011, the department shall report to the senate and house of representatives appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a listing of Michigan vendors whose contracts were canceled or reduced in favor of single-source contracts from vendors based outside of Michigan. The report shall provide information for fiscal years 2008-2009 and 2009-2010 and shall include pertinent contract amounts.

Sec. 235. It is the intent of the legislature that the department reduce expenditures using the following strategies:

(a) Following the recommendations outlined in audit report 471-0130-08 of June 2009 issued by the Michigan office of the auditor general, which found \$7,534,039.00 in known savings that would have been achieved through cost-neutral operation of the bureau of correctional industries, as follows:

(i) Finding 1 indicates that the bureau of correctional industries has consistently failed to maintain profitable or cost-neutral operations.

(ii) Finding 2 indicates that the bureau of correctional industries had not developed or implemented a comprehensive business plan.

(iii) Finding 3 indicates that the bureau of correctional industries did not efficiently schedule and utilize its trucks and drivers for delivery of products and services.

(iv) Finding 4 indicates that the bureau of correctional industries had not established comprehensive policies and procedures for setting prices and discounts for products and services.

(b) Continuing the supply chain transformation (SCT) with the new fiscal year beginning October 1, 2010. The SCT shall address all goods and services delivered into the department, with special focus in the following areas: food service, offender transport, warehousing, prisoner stores, laundries, textiles, transportation, reverse logistics, Michigan state industries manufacturing and related material, and capital and service purchase contracts under development or due to expire. The department shall continually detail its supply chain strategy and implementation plan including tasks, timing, resources, costs, and benefits to be achieved. The department shall provide quarterly cost and benefit savings report information. The department shall contract with a world-class supply chain external resource with the following capabilities: demonstrated success working in a department of corrections environment in the targeted supply chain areas of focus; demonstrated expertise in defining, developing, and implementing cross-functional infrastructures; continuous quality improvement teams; stakeholder and communications outreach programs; six sigma/lean tools and templates; hands-on supply chain; continuous quality improvement and six sigma tool training; and positive working relations and measurable, documented client satisfaction results.

(c) Following the recommendations outlined in audit report 471-0620-07L of October 2008 issued by the Michigan office of the auditor general, which found \$14,800,000.00 in estimated savings that could be achieved through reforms of the department's staffing and purchasing policies, as follows:

(i) Finding 1 indicates that the department needs to improve its administration of custody officer staffing.

(ii) Finding 2 indicates that the department needs to pursue additional cost-saving measures through future contract negotiations and review of its organizational structure.



(iii) Finding 3 indicates that the department did not have a formal process in place to negotiate prices for goods and services purchased from Michigan state industries.

(d) Following the recommendations outlined in audit report 471-0623-07L of December 2008 issued by the Michigan office of the auditor general, which found significant but indeterminate savings could be achieved through reforms of prisoner transportation policies, specifically, finding 4 indicates that the department should continue to seek the cooperation of the state court administrative office and its medical service providers to fully use existing technology to conduct videoconferencing for court and medical appointments.

Sec. 236. It is the intent of the legislature that from the revenue resulting from the sale of the former Scott correctional facility sufficient funds shall be appropriated to the department to reimburse Michigan state industries for costs related to the construction of the Industries Building, which was operated by Michigan state industries on the site of the Scott correctional facility.

#### **EXECUTIVE**

Sec. 301. (1) For 3 years after a felony offender is released from the department's jurisdiction, the department shall maintain the offender's file on the offender tracking information system and make it publicly accessible in the same manner as the file of the current offender. However, the department shall immediately remove the offender's file from the offender tracking information system upon determination that the offender was wrongfully convicted and the offender's file is not otherwise required to be maintained on the offender tracking information system.

(2) Information removed from the offender tracking information system due to the expiration of 3 years following release of an offender from the department's jurisdiction shall be retained by the department and maintained in a password-protected archive. Effective October 1, 2009, information in the archive shall be made available upon payment of a fee as determined by the department. Revenue collected under this section is appropriated for the costs of the offender tracking information system, and any revenue collected in excess of the costs of maintaining the offender tracking information system is appropriated for information technology costs. The department shall report on March 1, 2011 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the fees charged and revenue collected under this section.

Sec. 302. The department shall provide a report to the members of the senate and house appropriations subcommittees on corrections and community health, the senate and house fiscal agencies, MDCH, and the state budget director by May 1, 2011 reviewing actions taken to implement the recommendations of the mental health study required under section 302 of 2007 PA 124 with which it agrees and an explanation of any disagreements with recommendations. It is the intent of the legislature to review the department's implementation plan and, in coordination with the department, to identify funds with which to implement the plan, as appropriate.

Sec. 303. It is the intent of the legislature that the quantity of database systems in use by the department be optimal for efficient data usage and communications. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of the plan to implement secure, encrypted, Internet-based database systems that can electronically communicate with each other and with other law-enforcement-related databases by September 30, 2011.

Sec. 304. The director of the department shall maintain a staff savings initiative program to invite employees to submit suggestions for saving costs for the department. The department shall report semiannually to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the suggestions submitted under this section, the implementation plan for those suggestions with which the department agrees, and an explanation of any disagreements with suggestions.

Sec. 305. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of prisoners who committed suicide during the previous calendar year. To the extent permitted by law, the report shall include all of the following information:

- (a) The prisoner's age, offense, sentence, and admission date.
- (b) Each prisoner's facility and unit.
- (c) A description of the circumstances of the suicide.
- (d) The date of the suicide.
- (e) Whether the suicide occurred in a housing unit, a segregation unit, a mental health unit, or elsewhere on the grounds of the facility.
- (f) Whether the prisoner had been denied parole and the date of any denial.
- (g) Whether the prisoner had received a mental health evaluation or assessment.
- (h) Details on the department's responses to each suicide, including immediate on-site responses and subsequent internal investigations.
- (i) A description of any monitoring and psychiatric interventions that had been undertaken prior to the prisoner's suicide, including any changes in placement or mental health care.
- (j) Whether the prisoner had previously attempted suicide.

**PLANNING AND COMMUNITY SUPPORT**

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates concurrent with submission of the executive budget to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall include explanations of the methodology and assumptions used in developing the projection updates.

Sec. 402. It is the intent of the legislature that the funds appropriated in part 1 for prisoner reintegration programs be expended for the purpose of reducing victimization by reducing repeat offending through the following prisoner reintegration programming:

- (a) The provision of employment or employment services and job training.
- (b) The provision of housing assistance.
- (c) Referral to mental health services.
- (d) Referral to substance abuse services.
- (e) Referral to public health services.
- (f) Referral to education.
- (g) Referral to any other services necessary for successful reintegration.

Sec. 403. By March 1, 2011, the department shall provide a report on MPRI expenditures and allocations to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. At a minimum, the report shall include information on both of the following:

- (a) Details on prior-year expenditures, including amounts spent on each project funded, itemized by service provided and service provider.
- (b) Allocations and projected expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider.

Sec. 403a. (1) In collaboration with a technical committee composed of representatives from the department, designees of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the justice center of the council of state governments, the department shall develop a performance-based dashboard tracking and reporting system that establishes key indicators of the success and failure of offenders. Indicators shall reflect the status of and trends in key program elements, behavior improvements on the part of offenders, and whether targeted goals are being met.

(2) By April 1, 2011, the department shall report dashboard data to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director.

Sec. 404. (1) The department shall screen and assess each prisoner for alcohol and other drug involvement to determine the need for further treatment. The assessment process shall be designed to identify the severity of alcohol and other drug addiction and determine the treatment plan, if appropriate.

(2) The department shall provide substance abuse treatment to prisoners with priority given to those prisoners who are most in need of treatment and who can best benefit from program intervention based on the screening and assessment provided under subsection (1).

Sec. 405. (1) In expending residential substance abuse treatment services funds appropriated under this act, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) Of the funds appropriated in part 1 for substance abuse testing and treatment services, at least \$5,000,000.00 shall be utilized to operate residential substance abuse treatment programs around the state.

(3) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2009-2010 and projected for fiscal year 2010-2011. The report shall include, but not be limited to, an explanation of an anticipated year-end balance, the number of participants in substance abuse programs, and the number of offenders on waiting lists for residential substance abuse programs. Information required under this subsection shall, where possible, be separated by MDOC administrative region and by offender type, including, but not limited to, a distinction between prisoners, parolees, and probationers.

(4) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender success and programmatic success as those terms are defined in section 203.

Sec. 405a. The department shall work cooperatively with MDCH and substance abuse coordinating agencies in referring offenders as appropriate to intensive substance abuse services, including residential services.

Sec. 407. (1) By June 30, 2011, the department shall place the 2010 statistical report on an Internet site. The statistical report shall include, but not be limited to, the information as provided in the 2004 statistical report.

(2) It is the intent of the legislature that starting with calendar year 2010, the statistical report be placed on an Internet site within 6 months after the end of each calendar year.

Sec. 408. The department shall measure the recidivism rates of offenders using at least a 3-year period following their release from prison.

Sec. 409. The office of community corrections shall provide and coordinate the delivery and implementation of services in communities to facilitate successful offender reintegration into the community. Programs and services to be offered shall include, but are not limited to, technical assistance for comprehensive corrections plan development, new program start-up funding, program funding for those programs delivering services for eligible offenders in geographic areas identified by the office of community corrections as having a shortage of available services, technical assistance, referral services for education, employment services, and substance abuse and family counseling.

Sec. 410. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that enhance offender success and that also may serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

(a) Reduce admissions to prison of offenders who would likely be sentenced to imprisonment, including probation violators.

(b) Improve the appropriate utilization of jail facilities, the first priority of which is to open jail beds intended to house otherwise prison-bound felons, and the second priority being to appropriately utilize jail beds so that jail crowding does not occur.

(c) Open jail beds through the increase of pretrial release options.

(d) Reduce the readmission to prison of parole violators.

(e) Reduce the admission or readmission to prison of offenders, including probation violators and parole violators, for substance abuse violations.

(f) Contribute to offender success, as that term is defined in section 203.

(2) The award of community corrections comprehensive plans and residential services funds shall be based on criteria that include, but are not limited to, the prison commitment rate by category of offenders, trends in prison commitment rates and jail utilization, historical trends in community corrections program capacity and program utilization, and the projected impact and outcome of annual policies and procedures of programs on offender success, prison commitment rates, and jail utilization.

(3) Funds awarded for residential services in part 1 shall provide for a per diem reimbursement of not more than \$47.50 for nonaccredited facilities, or of not more than \$48.50 for facilities that have been accredited by the American corrections association or a similar organization as approved by the department.

Sec. 411. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential services, the special alternative incarceration program, probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plans and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408, that contribute to the success of offenders. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and use the county jail reimbursement program under section 414. The state community corrections board shall encourage local community corrections advisory boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the MDCH for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders.

Sec. 412. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

(a) Approved technical assistance grants and comprehensive corrections plans including each program and level of funding, the utilization level of each program, and profile information of enrolled offenders.

(b) If federal funds are made available, the number of participants funded, the number served, the number successfully completing the program, and a summary of the program activity.

(c) Status of the community corrections information system and the jail population information system.

(d) Data on residential services, including participant data, participant sentencing guideline scores, program expenditures, average length of stay, and bed utilization data.

(e) Offender disposition data by sentencing guideline range, by disposition type, by prior record variable score, by number and percent statewide and by county, current year, and comparisons to the previous 3 years.

(f) Data on the use of funding made available under the felony drunk driver jail reduction and community treatment program.

(2) The report required under subsection (1) shall include the total funding allocated, program expenditures, required program data, and year-to-date totals.

Sec. 413. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, jail-based probation violation sanctions, and all state-required jail data.

(2) The department is responsible for the collection, analysis, and reporting of all state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide necessary jail data to the department.

Sec. 414. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails certain felons who otherwise would have been sentenced to prison.

(2) Counties shall be given the option of choosing from 1 of 2 eligibility and reimbursement standards as described in this subsection for the county jail reimbursement program. The department shall submit to each county a county jail reimbursement application form by October 1, 2010 that explains the 2 eligibility and reimbursement standards and shall request that the county submit a decision to the department regarding the standard it elects to utilize for the operation of the county's program. Counties shall submit their decision to the department by October 15, 2010, and shall not be allowed to revise this decision after submission. A county shall not be reimbursed for any services provided after October 15, 2010 unless that county has submitted a decision on the eligibility and reimbursement standards to the department. The department shall offer counties the option to choose between the eligibility and reimbursement standards outlined below:

(a) The standards outlined in subsections (2) and (3) of section 414 of 2008 PA 245 as outlined below:

(i) The county jail reimbursement program shall reimburse counties for housing and custody of convicted felons if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(A) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(B) The felon's minimum sentencing guidelines range minimum is more than 12 months under the sentencing guidelines described in sub-subparagraph (A).

(ii) State reimbursement under this subdivision for prisoner housing and custody expenses per diverted offender shall be \$43.50 per diem for up to a 1-year total.

(b) The standards outlined and defined in subsections (2), (3), and (6) of section 301 of 2010 PA 89 as outlined below:

(i) The county jail reimbursement program shall reimburse counties for convicted felons in the custody of the sheriff if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(A) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H or a nonperson crime in crime class F under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(B) The felon's minimum sentencing guidelines range minimum is more than 12 months under the sentencing guidelines described in sub-subparagraph (A).

(C) The felon was sentenced to jail for a felony committed while he or she was on parole and under the jurisdiction of the parole board and for which the sentencing guidelines recommended range for the minimum sentence has an upper limit of more than 18 months.

(ii) State reimbursement under this subdivision shall be \$60.00 per diem per diverted offender for offenders with a presumptive prison guideline score, \$50.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 1 crime, and \$35.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 2 crime. Reimbursements shall be paid for sentences up to a 1-year total.

(iii) As used in this subdivision:

(A) "Group 1 crime" means a crime in 1 or more of the following offense categories: arson, assault, assaultive other, burglary, criminal sexual conduct, homicide or resulting in death, other sex offenses, robbery, and weapon possession as determined by the department of corrections based on specific crimes for which counties received reimbursement under the county jail reimbursement program in fiscal year 2007 and fiscal year 2008, and listed in the county jail reimbursement program document titled "FY 2007 and FY 2008 Group One Crimes Reimbursed", dated March 31, 2009.

(B) "Group 2 crime" means a crime that is not a group 1 crime, including larceny, fraud, forgery, embezzlement, motor vehicle, malicious destruction of property, controlled substance offense, felony drunk driving, and other nonassaultive offenses.

(C) "In the custody of the sheriff" means that the convicted felon has been sentenced to the county jail and is either housed in the county jail or has been released from jail and is being monitored through the use of the sheriff's electronic monitoring system.

(3) Except as otherwise provided in subsection (4), county jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. By October 15, 2010, the department shall distribute the documentation requirements to all counties.

(4) By May 1, 2011, the subcommittee chair of the chamber that sponsored the current fiscal year budget act for the department shall convene a reimbursement committee consisting of the chairs of the senate and house appropriations subcommittees on corrections, 1 representative from the department of corrections, the state budget office, the Michigan association of counties, and the Michigan sheriffs association for the purpose of reviewing payment of all eligible and properly documented reimbursement requests that comply with the reimbursement criteria in subsection (2)(b) for counties that elected that eligibility and reimbursement standard. If the committee determines that the current appropriation will not cover all eligible reimbursement costs, the state budget office shall request a legislative transfer from other appropriation line items in the department budget to the county jail reimbursement program line item to cover the additional costs.

Sec. 416. (1) Funds included in part 1 for the felony drunk driver jail reduction and community treatment program are appropriated for and may be expended for any of the following purposes:

(a) To increase availability of treatment options to reduce drunk driving and drunk driving-related deaths by addressing the alcohol addiction of felony drunk drivers who otherwise likely would be sentenced to jail or a combination of jail and other sanctions.

(b) To divert from jail sentences or to reduce the length of jail sentences for felony drunk drivers who otherwise would have been sentenced to jail and whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have upper limits of 18 months or less or the lower limit of the sentencing range is 1 year or less and the upper limit of the range is more than 18 months and the prior record variable is less than 35 points, through funding programs that may be used in lieu of incarceration and that increase the likelihood of rehabilitation.

(c) To provide a policy and funding framework to make additional jail space available for housing convicted felons whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have lower limits of 12 months or less and who likely otherwise would be sentenced to prison, with the aim of enabling counties to meet or exceed amounts received through the county jail reimbursement program during fiscal year 2002-2003 and reducing the numbers of felons sentenced to prison.

(2) Expenditure of funds included in part 1 for the felony drunk driver jail reduction and community treatment program shall be by grant awards consistent with standards developed by a committee of the state community corrections advisory board. The chairperson of the committee shall be the board member representing county sheriffs. Remaining members of the committee shall be appointed by the chairperson of the board.

(3) In developing annual standards, the committee shall consult with interested agencies and associations. Standards developed by the committee shall include application criteria, performance objectives and measures, funding allocations, and allowable uses of the funds, consistent with the purposes specified in this section.

(4) Allowable uses of the funds shall include reimbursing counties for transportation, treatment costs, and housing felony drunk drivers during a period of assessment for treatment and case planning. Reimbursements for housing during the assessment process shall be at the rate of \$43.50 per day per offender, up to a maximum of 5 days per offender.

(5) The standards developed by the committee shall assign each county a maximum funding allocation based on the amount the county received under the county jail reimbursement program in fiscal year 2001-2002 for housing felony drunk drivers whose recommended minimum sentence ranges under the sentencing guidelines described in subsection (1)(c) had upper limits of 18 months or less.

(6) Awards of funding under this section shall be provided consistent with the local comprehensive corrections plans developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414. Funds awarded under this section may be used in conjunction with funds awarded under grant programs established under that act. Due to the need for felony drunk drivers to be transitioned from county jails to community treatment services, it is the intent of the legislature that local units of government utilize funds received under this section to support county sheriff departments.

(7) As used in this section, "felony drunk driver" means a felon convicted of operating a motor vehicle under the influence of intoxicating liquor or a controlled substance, or both, third or subsequent offense, under section 625(9)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.625, or its predecessor statute, punishable as a felony.

Sec. 417. (1) By March 1, 2011, the department shall report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on each of the following programs from the previous fiscal year:

(a) The county jail reimbursement program.

(b) The felony drunk driver jail reduction and community treatment program.

(c) Any new initiatives to control prison population growth funded or proposed to be funded under part 1.

(2) For each program listed under subsection (1), the report shall include information on each of the following:

(a) Program objectives and outcome measures, including, but not limited to, the number of offenders who successfully completed the program, and the number of offenders who successfully remained in the community during the 3 years following termination from the program.

(b) Expenditures by location.

(c) The impact on jail utilization.

(d) The impact on prison admissions.

(e) Other information relevant to an evaluation of the program.

Sec. 418. (1) The department shall collaborate with the state court administrative office on facilitating changes to Michigan court rules that would require the court to collect at the time of sentencing the state operator's license, state identification card, or other documentation used to establish the identity of the individual to be admitted to the department. The department shall maintain those documents in the prisoner's personal file.

(2) The department shall collaborate with the Michigan department of state to ensure that an achievable list of documents necessary to obtain a state operator's license or state identification card upon parole or release is developed and presented to the prisoner so that application for identification can begin prior to a prisoner's discharge or parole hearing. The process for prisoners to acquire this documentation shall be part of the department's operating procedure.

(3) The department shall cooperate with MDCH to create and maintain a process by which prisoners can obtain their Michigan birth certificates if necessary. The department shall describe a process for obtaining birth certificates from other states, and in situations where the prisoner's effort fails, the department shall assist in obtaining the birth certificate.

(4) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director on the plan for implementing all necessary processes and policy changes in order to ensure compliance with the requirements of this section.

Sec. 419. (1) The department shall provide weekly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner, parolee, and probationer populations by facility, and prison capacities.

(2) The department shall provide monthly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The reports shall include information on end-of-month prisoner populations in county jails, the net operating capacity according to the most recent certification report, identified by date, and end-of-month data, year-to-date data, and comparisons to the prior year for the following:

(a) Community residential program populations, separated by centers and electronic monitoring.

(b) Parole populations.

(c) Probation populations, with identification of the number in special alternative incarceration.

(d) Prison and camp populations, with separate identification of the number in special alternative incarceration and the number of lifers.

(e) Parole board activity, including the numbers and percentages of parole grants and parole denials.

(f) Prisoner exits, identifying transfers to community placement, paroles from prisons and camps, paroles from community placement, total movements to parole, prison intake, prisoner deaths, prisoners discharging on the maximum sentence, and other prisoner exits.

(g) Prison intake and returns, including probation violators, new court commitments, violators with new sentences, escaper new sentences, total prison intake, returns from court with additional sentences, community placement returns, technical parole violator returns, and total returns to prison and camp.

Sec. 420. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house judiciary committees, the senate and house fiscal agencies, and the state budget director on performance data and efforts to improve efficiencies relative to departmental staffing, health care services, food service, prisoner transportation, mental health care services, and pharmaceutical costs.

Sec. 421. Of the funds appropriated in part 1, \$100,000.00 is appropriated for the purpose of providing an IDG to the MDSP for the purpose of providing grants for training teams of law enforcement officers and mental health treatment providers. The teams shall be trained in effective and safe ways of assisting people with mental illness during law enforcement contacts and directing people with mental illness to treatment programs. Mental health awareness training shall be incorporated into continuing education for all law enforcement officers in the state.

Sec. 422. It is the intent of the legislature that MPRI programs from prisoner entry into the corrections system to reentry into the community and as measured by offender success and programmatic success as those terms are defined in section 203 shall be maintained as standard operating procedure in the department. In particular, services should be focused on moderate- to high-risk individuals. Special in-prison programming shall be directed to those prisoners who were paroled and have returned to prison and who will subsequently be eligible for parole again in the future. In addition, MPRI services provided to prisoners shall include basic computer skills training.

Sec. 424. (1) From the funds appropriated in part 1 for residential services, the department shall develop and implement, in collaboration with the judiciary and as approved by the state court administrative office, a demonstration project based on evidence-based practices related to judicial and case management interventions that have been proven to increase public safety for high-risk, high-need probationers as determined by a validated risk and need assessment instrument. As used in this section, "probationer" means a circuit court probationer serving a probation sentence for a crime.

(2) The demonstration project shall be implemented in 4 areas of the state identified jointly by the department and the state court administrative office. Preference shall be given to locations that are representative of areas with high rates of violent crimes as described in the council of state governments' justice center report on analyses of crime, community corrections, and sentencing policies in this state.

(3) The primary goal of the demonstration project is to reduce crime and revictimization by high-risk, high-need probationers. The secondary goal of the demonstration project is to reduce expenditures for long-term incarceration.

(4) The demonstration project may provide up to 6 months of residential services, and treatment methods, and interventions that are evidence-based, including, but not limited to, the following:

- (a) Risk/needs assessment.
- (b) Motivational techniques.
- (c) Type, intensity, and duration of treatment based on each probationer's risk and needs and delivered consistent with evidence-based practices.

(5) The department shall implement the evidence-based practice of collaborative case management and utilize the services of the department and of local community corrections consistent with the local comprehensive corrections plan developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(6) The department shall assign a probation officer to the demonstration project to supervise a specialized caseload for high-risk, high-need probationers. All probation officers supervising a specialized caseload under this section shall receive substantial education and training on issues of substance abuse, mental health, and drug and alcohol testing.

(7) The probation officer shall work in cooperation with the local judiciary and the community corrections advisory board in a collaborative effort toward the goals of promoting probationer success and reducing crime and revictimization.

(8) The probation officer assigned to the demonstration project shall comply with supervision requirements established for the demonstration project by the field operations administration deputy director.

(9) The department shall identify and coordinate information for each local jurisdiction selected for the demonstration project regarding the rate of incarceration of high-risk, high-need probationers to ensure that appropriate probationers are targeted for the demonstration project.

(10) From the funds appropriated in part 1 for public education and training, the department shall collaborate with the local judiciary, community corrections advisory board, and service providers to develop and provide appropriate training for all local stakeholders involved in the demonstration project described in this section.

(11) From the funds provided to the local jurisdiction for the demonstration project, the department shall collaborate with the local judiciary and the community corrections advisory board to develop and implement an evaluation of the demonstration project that will show the impact of the project on the arrests, convictions, technical violations, and commitments to prison of the demonstration project participants. This evaluation shall be performed in accordance with department of corrections policy and procedure on evaluation design in cooperation with the office of research and planning.

(12) By May 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of the demonstration project prescribed under this section, including information on all of the following:

- (a) Demonstration project locations and participating courts.
- (b) The number of probationers participating in the pilot categorized by location and offense.
- (c) Evaluation status and methodology.
- (d) Preliminary results, if any.

Sec. 426. Of the money appropriated in part 1 for prisoner reintegration programs, \$500,000.00 shall be distributed to 1 or more Michigan-chartered 501(c)(3) nonprofit corporations to expand existing business models, or to create new business enterprises including capital equipment needs, that presently have established public utility asset recovery recycling programs. This nonprofit will hire new employees through the funding provided above and must include at least 45% returning citizens. The programs shall be administered by 1 or more Michigan-chartered corporations that are exempt from taxation under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and that have documented entrepreneurial social enterprise expertise in creating employment opportunities for parolees.

Sec. 429. It is the intent of the legislature that the department work with other state departments and agencies to implement the policy options provided to the state by the council of state governments in January 2009.

Sec. 430. The department shall ensure that each prisoner has the opportunity to meet with his or her transition team prior to release from prison. If applicable, community providers shall enter the prison to meet with the prisoner prior to release.

Sec. 431. The department shall ensure that prior to release from prison, each offender has possession of all of the following:

- (a) All documents necessary to obtain a state operator's license or state identification card.

(b) A set of clothing that would be appropriate and suitable for wearing to an interview for employment.

Sec. 433. The department shall report quarterly on January 1, 2011, April 1, 2011, July 1, 2011, and September 30, 2011 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of any contracts entered into under the June 2009 request for proposals for the re-entry initiative project for offenders with special needs. The report shall include information on all of the following:

(a) The number of prisoners and participating parolees in each of the target population subgroups, including medically fragile, mentally ill, developmentally disabled, and youthful offenders.

(b) Descriptions of the key services being provided to each subgroup under the contract or contracts.

(c) Estimates of the average per-offender costs of services for each target population subgroup under each contract, compared to the average cost of prison incarceration for those populations.

Sec. 434. (1) It is the intent of the legislature that the department, in coordination with the department of energy, labor, and economic growth, Michigan state housing development authority, and local government officials, implement employment-related projects targeted toward at-risk young adults who are disconnected from school and employment, and probationers and parolees in high-crime neighborhoods where the adult incarceration rate is at least 45%.

(2) The department shall identify high-crime neighborhoods where the adult incarceration rate is at least 45% and in coordination with the department of human services and the superintendent of public instruction shall develop programs for recommendation to the legislature that offer academic, counseling, and social support to children of incarcerated parents.

#### **OPERATIONS AND SUPPORT ADMINISTRATION**

Sec. 501. From the funds appropriated in part 1 for prosecutorial and detainer expenses, the department shall reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

Sec. 502. Funds included in part 1 for the sheriffs' coordinating and training office are appropriated for and may be expended to defray costs of continuing education, certification, recertification, decertification, and training of local corrections officers, the personnel and administrative costs of the sheriffs' coordinating and training office, the local corrections officers advisory board, and the sheriffs' coordinating and training council under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Sec. 503. Funds appropriated in part 1 for administrative hearings officers are appropriated as an interdepartmental grant to the department of energy, labor, and economic growth for the purpose of funding administrative hearings officers for adjudication of grievances pertaining to the department of corrections. The department shall not expend appropriations from part 1 to satisfy charges from the department of energy, labor, and economic growth for administrative hearings officers in excess of the amount expressly appropriated by this act for the administrative hearings officers unless funding is transferred into this line under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 504. Of the funds appropriated in part 1, \$50,000.00 is appropriated to provide an interdepartmental grant to the judiciary for use of the judicial data warehouse by department employees.

Sec. 505. (1) The department shall train all custody staff in effective and safe ways of handling prisoners with mental illness and referring prisoners to mental health treatment programs. Mental health awareness training shall be incorporated into the training of new custody staff.

(2) All staff having direct contact with prisoners and employed within correctional facilities shall attend at least 1 mental health awareness training session.

Sec. 507. Of the funds appropriated in part 1, \$1,000,000.00 is appropriated to provide an interdepartmental grant to the judiciary for operational expenses related to drug treatment courts.

Sec. 508. Of the funds appropriated in part 1, \$500,000.00 is appropriated to provide an interdepartmental grant to the legislative auditor general for oversight activities pertaining to the department of corrections.

Sec. 509. Of the funds appropriated in part 1, \$250,000.00 is appropriated to provide an interdepartmental grant to the legislative corrections ombudsman for oversight activities.

#### **FIELD OPERATIONS ADMINISTRATION**

Sec. 601. (1) From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The results of the audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by March 1, 2011.

(2) It is the intent of the legislature that the department maintain a number of field agents sufficient to meet supervision and workload standards.

Sec. 602. (1) Of the amount appropriated in part 1 for field operations, a sufficient amount shall be allocated for the community service work program and shall be used for salaries and wages and fringe benefit costs of community service coordinators employed by the department to supervise offenders participating in work crew assignments. Funds shall also be used to cover motor transport division rates on state vehicles used to transport offenders to community service work project sites.



(2) The community service work program shall provide offenders with community service work of tangible benefit to a community while fulfilling court-ordered community service work sanctions and other postconviction obligations.

(3) As used in this section, "community service work" means work performed by an offender in an unpaid position with a nonprofit or tax-supported or government agency for a specified number of hours of work or service within a given time period.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the electronic tether program shall reimburse the department for costs associated with their participation in the program. The department may require community service work reimbursement as a means of payment for those able-bodied individuals unable to pay for the costs of the equipment.

(2) Program participant contributions and local community tether program reimbursement for the electronic tether program appropriated in part 1 are related to program expenditures and may be used to offset expenditures for this purpose.

(3) Included in the appropriation in part 1 is adequate funding to implement the community tether program to be administered by the department. The community tether program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's electronic tether program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the tether units throughout the state based upon locally developed comprehensive corrections plans under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(4) For a fee determined by the department, the department shall provide counties with the tether equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for tether equipment installation and service. For an additional fee as determined by the department, the department shall provide staff to install and service the equipment. Counties are responsible for the coordination and apprehension of program violators.

(5) Any county with tether charges outstanding over 60 days shall be considered in violation of the community tether program agreement and lose access to the program.

Sec. 604. Community-placement prisoners and parolees shall reimburse the department for the total costs of the program. As an alternative method of payment, the department may develop a community service work schedule for those individuals unable to meet reimbursement requirements established by the department.

Sec. 606. It is the intent of the legislature that the department shall ensure that parolees and probationers may timely contact their parole or probation agents and maintain procedures that preclude any necessity for an offender to have access to an agent's home telephone number or other personal information pertaining to the agent.

Sec. 608. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the use of electronic monitoring. At a minimum, the report shall include all of the following:

(a) Details on the failure rate of parolees for whom GPS tether is utilized, including the number and rate of parolee technical violations, including specifying failures due to committing a new crime that is uncharged but leads to parole termination, and the number and rate of parolee violators with new sentences.

(b) Information on the factors considered in determining whether an offender is placed on active GPS tether, passive GPS tether, radio frequency tether, or some combination of these or other types of electronic monitoring.

(c) Monthly data on the number of offenders on active GPS tether, passive GPS tether, radio frequency tether, and any other type of tether.

Sec. 609. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the use of kiosk reporting stations. At a minimum, the report shall include all of the following:

(a) Factors considered in determining whether an offender is assigned to report at a kiosk.

(b) Information on the location, costs, safety features, and other features of kiosks used for offender reporting.

(c) Information on demonstration project outcome measures.

(d) An evaluation of the kiosk reporting demonstration project, including any need for improvement and an assessment of the potential for expanded use of kiosk reporting stations.

Sec. 611. The department shall prepare by March 1, 2011 individual reports for the community re-entry program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director. Each program's report shall include information on all of the following:

(a) Monthly new participants by type of offender. Community re-entry program participants shall be categorized by reason for placement. For technical rule violators, the report shall sort offenders by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(b) Monthly participant unsuccessful terminations, including cause.

(c) Number of successful terminations.

(d) End month population by facility/program.

(e) Average length of placement.

- (f) Return to prison statistics.
- (g) Description of each program location or locations, capacity, and staffing.
- (h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.
- (i) Comparison with prior year statistics.
- (j) Analysis of the impact on prison admissions and jail utilization and the cost effectiveness of the program.

Sec. 612. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) To the extent policies or programs described in subsection (1) are used, developed, or contracted for, the department may request that funds appropriated in part 1 be transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for their operation.

(3) The department shall continue to utilize parole violator processing guidelines that require parole agents to utilize all available appropriate community-based, nonincarcerative postrelease sanctions and services when appropriate. The department shall periodically evaluate such guidelines for modification, in response to emerging information from the demonstration projects for substance abuse treatment provided under this act and applicable provisions of prior budget acts for the department.

(4) The department shall provide quarterly reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence during the preceding calendar quarter. The reports shall include the following information each for probationers, parolees after their first parole, and parolees who have been paroled more than once:

(a) The numbers of parole and probation violators returned to or sent to prison for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

(b) The numbers of parole and probation violators returned to or sent to prison for a technical violation and the type of violation, including, but not limited to, zero gun tolerance and substance abuse violations. For parole technical rule violators, the report shall list violations by type, by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(c) The educational history of those offenders, including how many had a GED or high school diploma prior to incarceration in prison, how many received a GED while in prison, and how many received a vocational certificate while in prison.

(d) The number of offenders who participated in the MPRI versus the number of those who did not.

(e) The unduplicated number of offenders who participated in substance abuse treatment programs, mental health treatment programs, or both, while in prison, itemized by diagnosis.

Sec. 613. Subject to the appropriations in part 1, the department is encouraged to expand the use of continuous remote alcohol monitors for parolees and probationers who test positive for alcohol abuse or have alcohol-abuse-related violations of their community supervision.

Sec. 614. (1) As a condition of probation, community control, payment plan for the payment of a fine or restitution, or any other court-ordered supervision, the court may order the posting of a bond to secure the defendant's appearance at any subsequent court proceeding or to otherwise enforce the orders of the court. An appearance bond executed under this section shall be filed with the court or with the sheriff by a licensed professional bail agent who shall provide a copy of the bond to the clerk of court.

(2) The court may issue an order to produce the defendant sua sponte or upon notice by the clerk or the probation officer that the person has violated the terms of probation, community control, court-ordered supervision, or other applicable court order. The court or the clerk of the court shall give the bail agent not less than 72 hours to bring the defendant before the court. If the bail agent fails to produce the defendant in court or to the sheriff at the time noticed by the court or the clerk of court, the appearance bond required under subsection (1) shall be forfeited according to the procedures set forth in section 15 of chapter V of the code of criminal procedure, 1927 PA 175, MCL 765.15. The defendant's failure to appear shall be the sole grounds for forfeiture of the appearance bond.

Sec. 615. After the parole and commutations board has reviewed the cases of all inmates sentenced to life with the possibility of parole who have good institutional records and pose low-risk to the community, the parole and commutations board shall provide the legislature with a detailed explanation of why an inmate who scores "high probability of release" is not being paroled.

#### **HEALTH CARE**

Sec. 801. The department shall not expend funds appropriated under part 1 for any surgery, procedure, or treatment to provide or maintain a prisoner's sex change unless it is determined medically necessary by the chief medical officer of the department.

Sec. 802. As a condition of expenditure of the funds appropriated in part 1, the department shall provide the senate and house of representatives appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with all of the following:

(a) Quarterly reports on physical and mental health care detailing the average number of days between a prisoner's diagnosis and commencement of treatment for that diagnosis, quarterly and fiscal year-to-date expenditures itemized by vendor, allocations, status of payments from contractors to vendors, and projected year-end expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment.

(b) Regular updates on progress on requests for proposals and requests for information pertaining to prisoner health care and mental health care, until the applicable contract is approved.

Sec. 803. For mental health contracts entered into by the department, including those with the Michigan department of community health, recognized performance standards and measures of quality shall be utilized to conduct periodic performance reviews. At least once every 3 years, the department shall renegotiate all mental health contracts entered into under this section with the goals of improving care and reducing costs.

Sec. 804. (1) The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner health care utilization. The report shall include the number of inpatient hospital days, outpatient visits, and emergency room visits in the previous quarter and since October 1, 2009, by facility.

(2) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoners receiving off-site inpatient medical care that would have received care in a state correctional facility if beds were available. The report shall include the number of prisoners receiving off-site inpatient medical care and average length of stay in an off-site facility during the period they would have received care in a state correctional facility if beds were available, by month and correctional facilities administration region.

Sec. 805. The bureau of health care services shall develop information on hepatitis C and HIV prevention and the risks associated with exposure to hepatitis C and HIV. The health care providers shall disseminate this information verbally and in writing to each prisoner at the health screening and full health appraisal conducted at admissions, at the annual health care screening 30 days before or after a prisoner's birthday, and prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence.

Sec. 806. (1) From the funds appropriated in part 1, the department shall require a hepatitis C antibody test and an HIV test for each prisoner prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall require an HIV test and a hepatitis C risk factor screening for each prisoner at the health screening at admissions. If hepatitis C risk factors are identified, the department shall offer the prisoner a hepatitis C antibody test. An explanation of results of the tests shall be provided confidentially to the prisoner, and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention.

(2) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the number of offenders tested and the number of offenders testing positive for HIV, the hepatitis C antibody, or both, at prison admission and parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall keep records of those offenders testing positive for HIV, the hepatitis C antibody, or both, at prison admission, parole, transfer to community residential placement, and discharge. These records shall clearly state the date each test was performed.

(3) As a condition of expenditure of the funds appropriated in part 1, the department shall keep records of the following:

(a) The number of offenders testing positive for the hepatitis C antibody who do not receive treatment, by reason for not participating.

(b) The number of offenders achieving a sustained viral response from hepatitis C treatment.

(c) Cost and duration of treatment by offender.

Sec. 807. The department shall ensure that all medications for a prisoner be transported with that prisoner when the prisoner is transferred from 1 correctional facility to another. Prisoners being released shall be provided with at least a 30-day supply of medication and a prescription for refills to allow for continuity of care in the community.

Sec. 808. There are sufficient funds and FTEs appropriated in part 1 to provide a full complement of nurses for clinical complexes working regular pay hours, and it is the intent of the legislature that sufficient nurses be hired or retained to limit the use of overtime other-than-holiday pay.

Sec. 809. The department, in conjunction with efforts to implement the MPRI, shall cooperate with the MDCH to share data and information as they relate to prisoners being released who are HIV positive or positive for the hepatitis C antibody. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on all of the following:

(a) Programs and the location of programs implemented as a result of the work under this section.

(b) The number of prisoners released to the community by parole, discharge on the maximum sentence, or transfer to community residential placement who are HIV positive, positive for the hepatitis C antibody, or both.

(c) The number of offenders referred to the local public health department, by county.

Sec. 811. By February 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of efforts to implement continuous quality improvement for prisoner health care. At a minimum, the report shall identify the processes that were in place before the start of the fiscal year, the processes undertaken since the beginning of the fiscal year, and plans for future changes.

Sec. 812. (1) The department shall provide the department of human services with a monthly list of prisoners newly committed to the department of corrections. The department and the department of human services shall enter into an interagency agreement under which the department of human services provides the department of corrections with monthly lists of newly committed prisoners who are eligible for Medicaid benefits in order to maintain the process by which Medicaid benefits are suspended rather than terminated. The department shall assist prisoners who may be eligible for Medicaid benefits after release from prison with the Medicaid enrollment process prior to release from prison.

(2) The department shall provide the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with quarterly updates on the utilization of Medicaid benefits for prisoners.

Sec. 813. The department shall work in cooperation with the department of community health to monitor and document drug utilization by department for prisoner health care services. As part of this effort, the department shall examine drug utilization patterns and cost-cutting strategies used by corrections systems in other states. By March 1, 2011, the department shall provide a report to the legislature detailing the department's drug utilizations and drug utilization statistics for corrections systems in other states.

Sec. 814. The department shall assure that psychotropic medications are available, when deemed medically necessary by a physician, to prisoners who have mental illness diagnoses but are not enrolled in the corrections mental health program.

Sec. 815. From the money appropriated in part 1 for health care administration, the department shall expend at least \$520,000.00 to operate a health care quality assurance unit.

#### **CORRECTIONAL FACILITIES ADMINISTRATION**

Sec. 902. From the funds appropriated in part 1, the department shall allocate sufficient funds to develop a demonstration children's visitation program. The demonstration program shall teach parenting skills and arrange for day visitation at these facilities for parents and their children, except for the families of prisoners convicted of a crime involving criminal sexual conduct in which the victim was less than 18 years of age or involving child abuse.

Sec. 903. Except as otherwise provided in this section, the department shall prohibit prisoners' access to or use of the Internet or any similar system. Under adequate supervision and with security precautions that ensure appropriate computer use by prisoners, the department may allow a prisoner access to or use of the Internet for the purposes of educational programming, employment training, job searches, or other Internet-based programs and services consistent with programming objectives, efficient operations, and the safety and security of the institution.

Sec. 904. Any department employee who, in the course of his or her job, is determined by a physician to have had a potential exposure to the hepatitis B virus, shall receive a hepatitis B vaccination upon request.

Sec. 905. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted for elsewhere in this act. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

(2) Quarterly reports on all expenditures from the inmate housing fund shall be submitted by the department to the state budget director, the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies.

Sec. 906. (1) The department shall establish a uniform rate to be paid by public and private agencies that benefit from public work services provided by special alternative incarceration participants and prisoners.

(2) It is the intent of the legislature that to the degree consistent with public safety and the safety and security of the institutions, public works projects be continued at the level provided in 2006 PA 331.

(3) It is the intent of the legislature that public works fee schedules be maintained at half the rates in effect on September 30, 2008.

(4) The department shall maintain a list of the number of prisoners available for public works crews at each department facility, and the number of prisoners necessary to fulfill current public works contracts at each department facility. The department shall place the list on a publicly accessible Internet site and update the list weekly.

(5) It is the intent of the legislature that pay rates for prisoners classified to public works assignments be increased by 50 cents per day from the rates in effect on September 30, 2009.

Sec. 907. The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on academic/vocational programs. The report shall

provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, the following:

- (a) The number of instructors and the number of instructor vacancies, by program and facility.
- (b) The number of prisoners enrolled in each program, the number of prisoners completing each program, the number of prisoners who fail each program, the number of prisoners who do not complete each program and the reason for not completing the program, the number of prisoners transferred to another facility while enrolled in a program and the reason for transfer, the number of prisoners enrolled who are repeating the program by reason, and the number of prisoners on waiting lists for each program, all itemized by facility.
- (c) The steps the department has undertaken to improve programs, track records, accommodate transfers and prisoners with health care needs, and reduce waiting lists.
- (d) The number of prisoners paroled without a high school diploma and the number of prisoners paroled without a GED.
- (e) An explanation of the value and purpose of each program, e.g., to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.
- (f) An identification of program outcomes for each academic and vocational program.
- (g) An explanation of the department's plans for academic and vocational programs, including plans to contract with intermediate school districts for GED and high school diploma programs.
- (h) The number of prisoners not paroled at their earliest release date due to lack of a GED, and the reason those prisoners have not obtained a GED.

Sec. 908. By February 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director, the percent of offenders included in the prison population intake for fiscal years 2008-2009 and 2009-2010 who have a high school diploma or a GED.

Sec. 909. As a condition of expending funds appropriated for academic/vocational programs under part 1, the department shall by January 31, 2011 provide a plan to contract with intermediate school districts for GED and high school diploma programs at correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on the development of the curriculum, how the program will be administered, how the program will improve employability, and how the program will be evaluated.

Sec. 910. The department shall allow the Michigan Braille transcribing fund program to operate at its current location. The donation of the building by the Michigan Braille transcribing fund at the G. Robert Cotton correctional facility in Jackson is acknowledged and appreciated. The department shall continue to encourage the Michigan Braille transcribing fund to produce high-quality materials for use by the visually impaired.

Sec. 911. (1) From the appropriations in part 1, the department shall ensure that all prisoner activities shall include the presence of a sufficient number of correctional officers needed to maintain the safety and security of the institution.

(2) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2010.

(3) The department shall not reduce the ratio of custody officers to prisoners at any correctional facility below the levels that existed October 1, 2008. Any correctional facility that reduces its security level after October 1, 2008 shall not have a ratio of custody officers to prisoners below that of a comparable facility. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director if it is unable to comply with this section. The report shall include all of the following:

- (a) A list of the correctional facilities that reduced their ratio of custody officers to prisoners in violation of this subsection.
- (b) An explanation of why the department is unable to comply with this subsection.
- (c) A plan to maintain the safety and security of the facilities or units.
- (4) Subsection (3) does not apply to facilities or portions of facilities that have closed.

Sec. 912. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by March 1, 2011 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 913. It is the intent of the legislature that any prisoner required to complete an assaultive offender program, sexual offender program, or other program as a condition of parole shall be transferred to a facility where that program is available in order to accomplish timely completion of that program prior to the expiration of his or her minimum sentence and eligibility for parole. Nothing in this section should be deemed to make parole denial appealable in court.

Sec. 916. The department shall issue a request for proposals by June 1, 2011 to convert the law library collections at correctional facilities to an electronic medium, if the department's feasibility study that examined similar conversions in Ohio and Pennsylvania reveals that the conversion would be beneficial.

Sec. 917. From the funds appropriated in part 1, the department shall allocate sufficient funds to implement evidence-based demonstration projects that change offenders' behaviors, values, beliefs, and attitudes toward victims and the community.

Sec. 918. Following receipt of an auditor general performance audit on offender transportation, the department, in conjunction with the department of management and budget, shall issue a request for information on the possible bidding of all offender transportation services. State employees shall be given the opportunity to respond to a request for information on offender transportation services. Any response to the request for information shall include an explanation of how savings of at least 5% over existing costs of offender transportation would be realized.

Sec. 919. (1) As a condition of expending funds appropriated in part 1 for prison food service, the department shall comply with the provision of section 207, including, but not limited to, all of the following criteria:

(a) Providing a complete project plan at least 90 days prior to issuing a request for proposals or an invitation to bid for all or a substantial portion of food service, including a contract for food procurement.

(b) Conducting a privatization cost-benefit analysis as described by section 207a.

(c) Providing a copy of the cost-benefit analysis to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director before the earliest of the following:

(i) Issuance of a request for proposals or invitation to bid.

(ii) Filing a contract change request with the state administrative board.

(iii) Entering into a contract for all or a substantial portion of prison food service.

(2) As a condition of expending funds appropriated in part 1 for prison food service, any contract for prison food service or prison food procurement shall identify all of the following:

(a) How savings equivalent to the savings specified in civil service rules for personal services outside the civil service would be realized.

(b) How the department will comply with the requirements of section 209.

(c) How food quality will be maintained in conjunction with any cost savings.

(d) The impact on local vendors, growers, and processors, identified by facility or region, as appropriate, compared to prior-year purchases.

Sec. 920. The department shall make every effort to operate a garden or horticultural operation at each correctional facility, where practical, in order to provide food for correctional facilities and not-for-profit organizations.

Sec. 921. (1) By April 30, 2011, the department shall report to the chairs of the senate and house appropriations committees, the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the following:

(a) The actual savings realized between January 1, 2009 and April 1, 2011 as a result of closing correctional facilities and correctional camps between January 1, 2009 and January 1, 2011, itemized by correctional facility or correctional camp.

(b) The projected fiscal year 2010-2011 savings by closing correctional facilities and correctional camps between January 1, 2009 and January 1, 2011, itemized by correctional facility or correctional camp.

(2) The report in subsection (1) shall include information on all of the following:

(a) The savings realized or projected to be realized, itemized by program or type of expenditure.

(b) Any cost of field supervision, field operations programs, or prisoner reintegration programs related to the closure of correctional facilities and correctional camps between January 1, 2009 and January 1, 2011.

Sec. 922. It is the intent of the legislature that all prisoners work 40 hours per week in the correctional facility, as part of a public works crew or in private enterprise, or participate in vocational or training programs. Prisoners may be enrolled in GED or education programs in combination with employment. Prisoners not employed shall be enrolled in GED or other educational programs for not less than 20 hours per week. This section does not apply to prisoners classified in level V or administrative segregation.

Sec. 923. The department shall cooperate with the department of education to evaluate the feasibility of local school districts providing education programming to targeted prisoners under the age of 20 who have not received a high school diploma. By June 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on any plans or evaluations developed under this section.

Sec. 924. The department shall evaluate all prisoners at intake for substance abuse disorders, developmental disorders, serious mental illness, and other mental health disorders. Prisoners with serious mental illness shall not be confined in administrative segregation due to serious mental illness. Under the supervision of a mental health professional, a prisoner with serious mental illness may be secluded in a therapeutic environment for the safety of the prisoner or others. A prisoner in therapeutic seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in therapeutic seclusion.

Sec. 925. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the annual number of prisoners in administrative segregation between October 1, 2003 and September 30, 2010, and the annual number of prisoners in administrative

segregation between October 1, 2003 and September 30, 2010 who at any time during the current or prior prison term were diagnosed with serious mental illness or have a developmental disorder and the number of days each of the prisoners with serious mental illness or a developmental disorder have been confined to administrative segregation.

Sec. 927. The department of corrections and the department of human services shall enter into an intergovernmental agreement to place offenders less than 19 years of age who are committed to the department of corrections in underutilized units of the Maxey/Woodland center correctional facility. The facilities shall be used to house offenders less than 19 years of age who are currently committed to the department of corrections.

Sec. 928. Funding appropriated in part 1 for consent decree line items is appropriated into separate control accounts created for each line item. Funding in each control account shall be distributed as necessary into separate accounts created for the purpose of separately identifying costs and expenditures associated with each consent decree.

Sec. 929. From the funds appropriated in part 1, the department shall do all of the following:

(a) Ensure that any inmate care and control staff in contact with prisoners less than 19 years of age are adequately trained with regard to the developmental and mental health needs of prisoners less than 19 years of age. By April 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the training curriculum used and the number and types of staff receiving training under such curriculum since October 2009.

(b) Provide appropriate placement for prisoners less than 19 years of age who have serious mental illness, serious emotional disturbance, or a developmental disorder and need to be housed separately from the general population. Prisoners less than 19 years of age who have serious mental illness, serious emotional disturbance, or a developmental disorder shall not be placed in administrative segregation due to serious mental illness or serious emotional disturbance. Under the supervision of a mental health professional, a prisoner less than 19 years of age with serious mental illness or serious emotional disturbance may be secluded in a therapeutic environment for the safety of the prisoner or others. A prisoner in therapeutic seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in therapeutic seclusion.

(c) Implement a specialized re-entry program that recognizes the needs of prisoners less than 19 years old for supervised re-entry.

Sec. 930. The department shall not have a shooting range located on property east of 3760 Foco Road, Standish, Michigan.

Sec. 932. From the funds appropriated in part 1 for psychiatric services, \$100,000.00 is appropriated to permit the department to contract with a board-certified child and adolescent psychiatrist to provide psychiatric services to individuals who are less than 19 years of age and are incarcerated in a department facility.

Sec. 933. From the funds appropriated in part 1, \$50,000.00 shall be utilized to create 2 pilot programs for a secure, scalable inmate learning management tool that enables inmates to improve job skill training and work toward achieving their GED, with the goal of reducing recidivism in concert with the council of state governments report. The pilots shall be designed to manage, track, and quantify all of the training, continuing education, development, and certification among other learning opportunities. The program shall include a wide variety of course work, including job search preparation and specialized programs to help inmates identify their current skills in relation to the job market. The pilots are to be housed on a single secure server, which cannot access the Internet, and are to be for use in 1 state prison and 1 county jail.

Sec. 934. From the funds appropriated in part 1 for prison industries operations, the department shall establish a pilot program for the manufacturing of textiles and clothing in at least 1 state correctional facility.

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 corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2011; 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.

Alan L. Cropsy  
Roger Kahn  
Liz Brater  
Conferees for the Senate

Alma Wheeler Smith  
Fred Durhal, Jr.  
Conferees for the House

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

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

**Roll Call No. 426****Yeas—38**

Allen	Clark-Coleman	Jansen	Prusi
Anderson	Clarke	Jelinek	Richardville
Barcia	Cropsey	Kahn	Sanborn
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Nofs	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry	Jacobs		

**Nays—0****Excused—0****Not Voting—0**

In The Chair: President

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.

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

The motion prevailed.

Senator Cropsey's statement is as follows:

This budget meets the target. It assumes that prisoner good-time bills will not pass and bumps up the prison population from the Governor's recommendation, although below current year budget. The prison population is running over a thousand below current year, and that is reflected in the budget. No prisons are proposed to be closed under this budget. The County Jail Reimbursement Program is funded for a full year, with counties having the option of which of two standards to utilize for reimbursement.

The Michigan Department of Corrections proposed \$51 million in savings in food, transportation, health care services, and various smaller line items. These savings and more are in the budget, as well as additional savings we believe the department can accomplish through aggressive reconsideration and realignment of their current practices. These additional savings are spread across the incarceration facility line items.

The budget retains an additional \$1.2 million for community corrections; an additional \$5 million for residential treatment for substance abuse; a \$1 million grant to the judiciary for pilot diversion programs, i.e., the drug courts; and two IDGs to the Legislature—\$500,000 for the Auditor General, who has done a terrific job in the past of auditing the department and coming up with more savings, and \$250,000 for the corrections ombudsman. Although not in the budget, we have an agreement to extend boot camps for an additional two years.

I have been frustrated throughout this entire process this year because the department has stonewalled me on my requests for information. Questions have gone unanswered for months, and dozens remain unanswered as of this morning, despite hollow promises from the Grandview Plaza. Data requests have gone unanswered or answered in meaningless and incomprehensible reports. However, the good news is my counterpart in the House, Representative Smith, proposed transparency in corrections spending, and that requirement is included in this budget.

Just as a note, parole absconders are at an all-time high. On a positive note, this is my last budget work with Representative Smith, and I want to say on the record that she is a lady of integrity who has a keen and passionate desire to see offenders become productive members of society. She understands the complex nature of incarceration and re-entry issues and has focused on real-life solutions. She has been a woman of her word who can be trusted, and while I can't say I have enjoyed the negotiations because she is one tough negotiator, I can say that I am very grateful that she has been on the



other side of the table working with me. I don't think we all realize how much we're going to miss Representative Smith next year, and I wish her well in whatever her future endeavors may be.

Also a couple of members of this body, Senator Brater started as a lonely light in the wilderness on mental health issues and the need to address root issues if we're going to address victimization, crime, and quality of life for our families and communities. I just want to say thank you to Senator Brater for her persistence. I think we all have a better understanding of the need to think of people holistically due to her efforts.

Dr. Kahn, Senator Kahn, has been a consistent and persistent advocate for appropriate health care for prisoners and has helped institute a multitude of best practices in the Department of Corrections. I trust that he'll be back in the Senate next year, and, believe you me, the department is going to need him here in the Senate giving further advice, especially on prisoner health care. I wish him well as he continues on next year.

Representative Proos will probably be gathering here in the Senate with those who are returning. He has been a faithful overseer of the public safety and a strong voice for the needs of our local communities as they provide the vast bulk of services needed for community corrections, prison diversions, and supervised oversight of offenders. He has been a tenacious advocate for full-year funding for the County Jail Reimbursement Program and appropriate utilization of county jail facilities. He has been a vocal advocate for local stakeholders, and I wish him well in the Senate next year.

The other member on our conference committee, Representative Durhal, has been excellent on the conference committee representing the city of Detroit. For Michigan prisoner re-entry programs to succeed and our prisons to succeed, we need to have good representation from the city of Detroit and other urban areas. I just want to say thank you to him for meeting that need.

I also want to say thank you to the staff of the Senate Fiscal Agency. They have done yeoman's work. They have read, re-read, and caught errors throughout this entire process. They have done their job in a very professional way. So thank you to Matt Grabowski, in particular, and Beth Clement also for the work that she has done; also John Lazet.

Senator Brater's statement is as follows:

I would like to echo the remarks of the good chair of the Corrections Subcommittee that it has been, indeed, a very collegial experience working on this subcommittee, both across the aisle and across the rotunda. I greatly appreciate and respect the work of the good chair of the subcommittee, especially since he and I are probably as far apart as any two Senators could be on ideological measures. We have had an excellent working relationship, and I really appreciate the opportunity to exchange ideas and have some meetings of the minds.

I certainly agree with the good chair's objectives of reducing the costs of this department, which are close to 20 percent of the General Fund. I think that we need to continue to look at various ways of reducing the costs in this department, including preventive care education and more money going into the mental health system early on to prevent criminalization of people with mental illness. We have seen—just to remind my colleagues for one last time—a huge process of transinstitutionalization that has occurred as we closed mental health facilities in the 1990s. A number of the people who were discharged from those hospitals did end up incarcerated, tragically, in our prison system and in our jails.

I really appreciate the support I have received from Senator Cropsey and Senator Kahn in moving some money into State Police for training law enforcement officers to identify people with mental illness who might be diverted back into the mental health system, rather than being arrested and criminalized. I think in the long run that will also save us money in this budget.

I do want to express a concern for my colleagues who will be returning to keep an eye on the reduced funding for mental health that is reflected in this budget. A recent study has shown that 25 percent of the people in Michigan prisons are people with mental illness. Not all of them are currently being treated according to this study. We need to keep an eye on that. Also this policy of having a formulary for psychotropic medications is problematic since that is one area of prescribing drugs that is very complex, and it's very hard to find the right drug. They don't always fit into a formulary and also be effective. We need to keep an eye on that policy.

We are not always going to be able to save money through privatization, so I think that we need to be looking at structural ways of reducing the prison populations through sentencing guidelines reforms, looking at the truth in sentencing policies, and trying to examine whether we are really getting public policy benefits from having the length of sentences we have in the state of Michigan. We have many surrounding states that have shorter sentences, and we don't have a commensurately lower crime rate to show here in the state for our longer sentences. I hope that in the future that the Legislature will keep examining this issue and trying to address it.

Again, I want to thank Senator Cropsey and all of my colleagues on both sides of the aisle and rotunda for the opportunity to work on this budget, and I do urge a "yes" vote on it today.

#### **House Bill No. 5884, entitled**

A bill to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to provide for

the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The House of Representatives has adopted the report of the Committee of Conference.  
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. 5884, entitled**

A bill to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Recommends:

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

A bill to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of energy, labor, and economic growth, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2011, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH**

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	58.5	
Full-time equated classified positions .....	4,359.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 1,278,178,200</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		13,246,300
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 1,264,931,900</b>
Federal revenues:		
Total federal revenues.....		845,292,500
Special revenue funds:		
Total local revenues .....		16,020,400
Total private revenues.....		6,085,000
Total other state restricted revenues .....		349,926,100
State general fund/general purpose .....		\$ 47,607,900

**Sec. 102. DEPARTMENTAL ADMINISTRATION**

Full-time equated unclassified positions.....	58.5	
Full-time equated classified positions .....	153.0	
Unclassified salaries .....		\$ 4,625,200
Executive director programs—49.0 FTE positions.....		5,559,500
Property management .....		11,161,300
Rent .....		12,675,800
Worker’s compensation.....		851,700
Special project advances.....		940,000
Administrative services—104.0 FTE positions .....		10,534,600
<b>GROSS APPROPRIATION .....</b>		<b>\$ 46,348,100</b>

Appropriated from:

Interdepartmental grant revenues:		
IDG from department of community health.....		300,000

	For Fiscal Year Ending Sept. 30, 2011
Federal revenues:	
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	\$ 4,171,900
DOE-OEERE, multiple grants.....	68,700
DOL-ETA, unemployment insurance .....	11,314,800
DOL-ETA, workforce investment act.....	902,900
DOL, federal funds.....	1,680,000
DOL, multiple grants for safety and health .....	753,900
Federal revenues.....	615,600
HHS, titles XVIII and XIX .....	55,000
HHS, temporary assistance for needy families .....	332,400
Special revenue funds:	
Local revenues.....	131,300
Private - special project advances .....	940,000
Bank fees.....	342,900
Boiler fee revenue .....	244,400
Construction code fund .....	1,085,000
Consumer finance fees .....	73,400
Contingent fund, penalty and interest account.....	872,300
Corporation fees .....	4,470,600
Credit union fees .....	355,400
Deferred presentment service transaction fees .....	24,900
Elevator fees.....	251,500
Fees and collections/asbestos .....	98,200
Fire service fees .....	748,700
Insurance licensing and regulation fees.....	1,772,400
Insurance bureau fund .....	492,400
Licensing and regulation fees.....	972,700
Liquor purchase revolving fund .....	4,688,600
MBLSLA fund.....	84,200
Mobile home code fund.....	252,300
Motor carrier fees.....	203,600
Private occupational school license fees .....	14,000
Public utility assessments.....	2,251,600
Retired engineers technical assistance program fund.....	234,700
Safety education and training fund .....	725,800
Second injury fund .....	247,500
Securities fees.....	2,400,700
Self-insurers security fund.....	88,300
Silicosis and dust disease fund.....	109,900
Tax tribunal fund .....	176,500
Video franchise assessments.....	4,000
Worker's compensation administrative revolving fund .....	100,000
State general fund/general purpose .....	\$ 1,695,100
<b>Sec. 103. OFFICE OF FINANCIAL AND INSURANCE REGULATION</b>	
Full-time equated classified positions .....	370.0
Administration—35.0 FTE positions.....	\$ 7,136,000
Financial evaluation—225.0 FTE positions .....	33,212,600
Regulatory compliance and consumer assistance—110.0 FTE positions.....	18,068,200
<b>GROSS APPROPRIATION .....</b>	<b>\$ 58,416,800</b>
Appropriated from:	
Federal revenues:	
Federal regulatory project revenue .....	50,400
Federal revenues.....	2,000,000
Special revenue funds:	
Bank fees.....	8,091,000
Captive insurance regulatory and supervision fund .....	247,800

	For Fiscal Year Ending Sept. 30, 2011
Consumer finance fees .....	\$ 4,061,700
Credit union fees .....	5,953,800
Deferred presentment service transaction fees .....	2,562,500
Insurance bureau fund .....	20,017,600
Insurance continuing education fees .....	1,000,000
Insurance licensing and regulation fees.....	4,579,300
MBLSLA fund.....	4,577,500
Multiple employer welfare arrangement .....	72,600
Securities fees.....	4,202,600
Securities investor education and training fund .....	1,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 104. PUBLIC SERVICE COMMISSION AND ENERGY SYSTEMS</b>	
Full-time equated classified positions .....	213.0
Public service commission—190.0 FTE positions .....	\$ 26,380,500
Bureau of energy systems—18.0 FTE positions .....	12,068,600
METRO authority—5.0 FTE positions.....	334,900
GROSS APPROPRIATION .....	\$ 38,784,000
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants.....	9,680,600
DOT-RSPA, gas pipeline safety.....	430,000
Special revenue funds:	
Private - oil overcharge .....	30,000
Children’s protection registry fund.....	272,600
Motor carrier fees.....	1,689,100
Public utility assessments.....	24,239,700
Restructuring mechanism assessment.....	440,000
Retired engineers technical assistance program fund.....	1,602,000
Video franchise assessments.....	400,000
State general fund/general purpose .....	\$ 0
<b>Sec. 105. LIQUOR CONTROL COMMISSION</b>	
Full-time equated classified positions .....	158.0
Management support services—28.0 FTE positions .....	\$ 3,670,700
Liquor licensing and enforcement—130.0 FTE positions.....	14,178,600
GROSS APPROPRIATION .....	\$ 17,849,300
Appropriated from:	
Special revenue funds:	
Direct shipper enhancement revolving fund.....	120,000
Liquor license revenue .....	6,813,600
Liquor purchase revolving fund .....	10,915,700
State general fund/general purpose .....	\$ 0
<b>Sec. 106. OCCUPATIONAL REGULATION</b>	
Full-time equated classified positions .....	435.0
Boiler inspection program—25.0 FTE positions .....	\$ 2,883,000
Bureau of fire services—57.0 FTE positions .....	5,559,000
Code enforcement—120.0 FTE positions .....	13,726,700
Commercial services—170.0 FTE positions .....	18,384,600
Elevator inspection program—30.0 FTE positions .....	3,102,200
Manufactured housing and land resources program—22.0 FTE positions .....	2,651,600
Property development group—11.0 FTE positions .....	1,658,300
GROSS APPROPRIATION .....	\$ 47,965,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	100,000
Federal revenues:	
DOT.....	60,000

	For Fiscal Year Ending Sept. 30, 2011
FEMA.....	\$ 28,000
HHS, title XVIII and XIX.....	700,000
Special revenue funds:	
Accountancy enforcement fund.....	408,100
Boiler fee revenue .....	3,306,500
Builder enforcement fund.....	415,600
Construction code fund .....	12,908,800
Corporation fees .....	6,149,000
Elevator fees .....	3,496,600
Fire alarm fees.....	111,300
Fire safety standard and enforcement fund .....	40,000
Fire service fees .....	1,919,700
Land sales fees .....	55,600
Licensing and regulation fees.....	10,914,500
Mobile home code fund.....	2,651,600
Property development fees .....	298,900
Real estate appraiser continuing education fund.....	47,000
Real estate education fund .....	283,800
Real estate enforcement fund .....	350,400
Security business fund.....	312,000
Survey and remonumentation fund.....	749,600
Unarmed combat fund.....	58,400
State general fund/general purpose .....	\$ 2,600,000
<b>Sec. 107. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION</b>	
Full-time equated classified positions .....	229.0
Occupational safety and health—229.0 FTE positions .....	\$ 27,750,500
<b>GROSS APPROPRIATION</b> .....	\$ 27,750,500
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health .....	12,946,600
Special revenue funds:	
Corporation fees .....	3,664,400
Fees and collections/asbestos .....	893,200
Safety education and training fund .....	8,289,900
Securities fees.....	1,956,400
State general fund/general purpose .....	\$ 0
<b>Sec. 108. BUREAU OF WORKER’S AND UNEMPLOYMENT COMPENSATION</b>	
Full-time equated classified positions .....	1,551.0
Worker’s compensation administration—96.6 FTE positions .....	\$ 9,417,400
Board of magistrates and appellate commission—19.4 FTE positions.....	2,881,000
Insurance funds administration—28.0 FTE positions .....	4,816,700
Supplemental benefit fund.....	820,000
Unemployment programs—1,302.7 FTE positions .....	135,180,200
Advocacy assistance program.....	1,500,000
Expanded fraud control program—33.2 FTE positions .....	3,428,400
Special audit and collections program—34.0 FTE positions .....	2,993,200
Training program for agency staff—2.1 FTE positions .....	1,821,400
Wage and hour division—35.0 FTE positions.....	3,346,800
<b>GROSS APPROPRIATION</b> .....	\$ 166,205,100
Appropriated from:	
Federal revenues:	
DOL-ETA, employment and training administration .....	1,173,800
DOL-ETA, unemployment insurance .....	137,754,900
Federal Reed act funds.....	4,494,500
Special revenue funds:	
Corporation fees .....	3,389,900

	For Fiscal Year Ending Sept. 30, 2011
Contingent fund, regular penalty and interest account.....	\$ 1,500,000
Second injury fund .....	2,593,000
Securities fees.....	2,535,300
Self-insurers security fund.....	1,226,100
Silicosis and dust disease fund.....	997,600
Worker’s compensation administrative revolving fund .....	2,790,400
State general fund/general purpose .....	\$ 7,749,600
<b>Sec. 109. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES</b>	
Full-time equated classified positions .....	178.0
Administrative hearings and rules—178.0 FTE positions .....	\$ 24,910,100
GROSS APPROPRIATION .....	\$ 24,910,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG - administrative hearings and rules .....	12,846,300
Federal revenues:	
Federal revenue - administrative hearings and rules .....	7,296,900
Special revenue funds:	
State restricted revenue - administrative hearings and rules .....	4,766,900
State general fund/general purpose .....	\$ 0
<b>Sec. 110. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 42,296,300
GROSS APPROPRIATION .....	\$ 42,296,300
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance .....	21,554,000
DOL, multiple grants for safety and health .....	273,700
Federal revenues .....	6,454,300
HHS, temporary assistance for needy families .....	176,300
Special revenue funds:	
Bank fees .....	219,500
Boiler fee revenue .....	320,500
Construction code fund .....	1,027,500
Consumer finance fees .....	95,100
Corporation fees .....	2,833,700
Credit union fees .....	192,100
Deferred presentment service transaction fees .....	85,700
Elevator fees .....	271,300
Fees and collections/asbestos .....	11,000
Fire service fees .....	553,500
Insurance bureau fund .....	545,500
Insurance continuing education fees .....	26,700
Insurance licensing and regulation fees.....	330,000
Licensing and regulation fees.....	1,148,400
Liquor purchase revolving fund .....	2,630,900
MBLSLA fund.....	104,100
Mobile home code fund.....	152,800
Motor carrier fees.....	148,900
Public utility assessments.....	979,100
Retired engineers technical assistance program fund.....	23,200
Safety education and training fund .....	624,700
Second injury fund .....	143,600
Securities fees.....	923,500
Self-insurers security fund.....	71,500
Silicosis and dust disease fund.....	61,500
Tax tribunal fund .....	210,000
State general fund/general purpose .....	\$ 103,700

For Fiscal Year  
Ending Sept. 30,  
2011

**Sec. 111. WORKFORCE DEVELOPMENT**

Full-time equated classified positions .....	872.5	
Employment services—246.0 FTE positions .....		\$ 49,389,600
Labor market information—52.0 FTE positions .....		6,564,400
Michigan rehabilitation services—513.5 FTE positions .....		73,641,400
Workforce programs administration—61.0 FTE positions .....		13,176,000
<b>GROSS APPROPRIATION</b> .....		<u>\$ 142,771,400</u>
Appropriated from:		
Federal revenues:		
DAG, employment and training.....		178,700
DED-OPSE, multiple grants.....		1,222,900
DED-OSERS, centers for independent living .....		58,200
DED-OSERS, rehabilitation long-term training.....		316,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....		56,890,000
DED-OSERS, state grants for technical related assistance.....		59,200
DOL-ETA, workforce investment act.....		7,890,000
DOL, federal funds.....		49,477,500
HHS, temporary assistance for needy families .....		3,337,600
HHS-SSA, supplemental security income.....		3,770,800
Special revenue funds:		
Local revenue .....		4,405,300
Local vocational rehabilitation match .....		2,684,500
Private - gifts, bequests, and donations.....		816,000
Contingent fund, penalty and interest account.....		1,853,100
Rehabilitation services fees .....		1,350,300
Second injury fund .....		51,500
State general fund/general purpose .....		<u>\$ 8,408,900</u>

**Sec. 112. CAREER EDUCATION PROGRAMS**

Full-time equated classified positions .....	30.0	
Postsecondary education—14.0 FTE positions .....		\$ 3,038,300
Adult education—16.0 FTE positions .....		<u>2,570,700</u>
<b>GROSS APPROPRIATION</b> .....		<u>\$ 5,609,000</u>
Appropriated from:		
Federal revenues:		
Federal revenues.....		3,942,200
Special revenue funds:		
Defaulted loan collection fees .....		100,000
Private occupational school license fees .....		662,000
State general fund/general purpose .....		<u>\$ 904,800</u>

**Sec. 113. DEPARTMENT GRANTS**

Adult basic education .....		\$ 20,000,000
Carl D. Perkins grants .....		19,000,000
Gear-up program grants.....		3,000,000
Workforce training programs subgrantees.....		296,153,600
Personal assistance services .....		459,500
Vocational rehabilitation customer support .....		57,986,700
Independent living .....		4,908,600
Welfare-to-work programs.....		96,923,800
Fire protection grants .....		10,910,500
Low-income energy efficiency assistance .....		95,000,000
Liquor law enforcement grants.....		6,600,000
Remonumentation grants .....		5,300,000
Private grant programs .....		3,000,000
Michigan nursing corps .....		500,000
Subregional libraries state aid .....		451,800
<b>GROSS APPROPRIATION</b> .....		<u>\$ 620,194,500</u>

For Fiscal Year  
Ending Sept. 30,  
2011

Appropriated from:

Federal revenues:

DAG, employment and training.....	\$ 7,000,000
DED-OESE, gear-up.....	3,000,000
DED-OSERS, centers for independent living .....	450,200
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	37,056,700
DED-OSERS, rehabilitation services facilities .....	2,272,500
DED-OSERS, supported employment.....	1,541,300
DED-OSERS, state grants for technical related assistance .....	2,240,800
DED-OVAE, adult education.....	20,000,000
DED-OVAE, basic grants to states .....	19,000,000
DOL-ETA, workforce investment act.....	225,227,700
DOL, federal funds.....	81,425,900
HHS-SSA, supplemental security income.....	5,868,400
HHS, temporary assistance for needy families .....	64,699,000

Special revenue funds:

Local vocational rehabilitation facilities match.....	1,278,300
Local vocational rehabilitation match .....	7,000,000
Private - gifts, bequests, and donations .....	400,000
Private revenue .....	3,000,000
Contingent fund, penalty and interest account .....	1,000,000
Low-income energy efficiency fund.....	95,000,000
Fire protection fund.....	8,500,000
Liquor purchase revolving fund .....	2,410,500
Liquor license revenue .....	6,600,000
Survey and remonumentation fund.....	5,300,000
State general fund/general purpose .....	\$ 19,923,200

**Sec. 114. BOARDS, AUTHORITIES, AND COMMISSIONS**

Full-time equated classified positions .....	170.0
MES board of review program—18.0 FTE positions.....	\$ 2,378,700
Hispanic/Latino commission—2.0 FTE positions .....	267,300
Commission on disability concerns—7.0 FTE positions .....	1,190,500
Commission for the blind—107.0 FTE positions.....	26,819,700
Utility consumer representation.....	950,000
Youth low vision program .....	241,800
Tax tribunal operations—15.0 FTE positions.....	2,867,900
Employment and labor relations—21.0 FTE positions .....	3,591,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 38,307,700</b>

Appropriated from:

Federal revenues:

Federal revenues .....	21,008,100
EEOC, federal funds.....	10,000
DOL-ETA, unemployment insurance .....	2,378,700

Special revenue funds:

Private revenues.....	129,000
Local revenues.....	521,000
Division on deafness fund .....	93,400
Securities fees.....	3,581,800
State restricted revenues .....	545,200
Tax tribunal fund .....	2,867,900
Utility consumer representation fund .....	950,000
State general fund/general purpose .....	\$ 6,222,600

**Sec. 115. CAPITAL OUTLAY**

Kalamazoo training center renovations .....	\$ 770,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 770,000</b>



For Fiscal Year  
Ending Sept. 30,  
2011

Appropriated from:	
Special revenue funds:	
Private revenues.....	\$ 770,000
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 2010-2011 is \$397,534,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$39,850,100.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH

Fire protection grants .....	\$ 10,910,500
Liquor law enforcement .....	6,600,000
Remonumentation grants .....	5,300,000
Firefighters training council .....	1,363,000
Welfare-to-work programs.....	15,224,800
Subregional state aid .....	451,800
Total department of energy, labor, and economic growth .....	\$ 39,850,100

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) "DAG" means the United States department of agriculture.
- (b) "DED" means the United States department of education.
- (c) "DED-OESE" means the DED office of elementary and secondary education.
- (d) "DED-OPSE" means the DED office of postsecondary education.
- (e) "DED-OSERS" means the DED office of special education rehabilitation services.
- (f) "DED-OVAE" means the DED office of vocational and adult education.
- (g) "Department" means the department of energy, labor, and economic growth.
- (h) "Director" means the director of the department of energy, labor, and economic growth.
- (i) "DOE" means the United States department of energy.
- (j) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (k) "DOL" means the United States department of labor.
- (l) "DOL-ETA" means the DOL employment and training administration.
- (m) "DOT" means the United States department of transportation.
- (n) "DOT-RSPA" means the DOT research and special programs administration.
- (o) "EEOC" means equal employment opportunity commission.
- (p) "FEMA" means federal emergency management agency.
- (q) "Fire safety standard and enforcement fund" means fire safety standard and firefighter protection act enforcement fund created in section 9 of the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.499.
- (r) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (s) "FTE" means full-time equated.
- (t) "HHS" means the United States department of health and human services.
- (u) "HHS-SSA" means HHS social security administration.
- (v) "HUD" means the United States department of housing and urban development.
- (w) "IDG" means interdepartmental grant.
- (x) "MARVIN" means Michigan's automated response voice interactive network.
- (y) "MBLSLA" means mortgage brokers, lenders, and servicers licensing act.
- (z) "MES" means Michigan employment security.
- (aa) "METRO" means metropolitan extension telecommunications rights-of-way oversight.
- (bb) "MIOSHA" means Michigan occupational safety and health administration.
- (cc) "SOAHR" means the state office of administrative hearings and rules.
- (dd) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

Sec. 204. The civil service commission 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. 208. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement 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 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 shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director shall take all reasonable steps to ensure that 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.

Sec. 211. The department shall establish and maintain affirmative action programs based on the guidelines developed by the state equal opportunity and diversity council which was created by Executive Order No. 2008-22 in order to receive general fund/general purpose dollars in compliance with section 26 of article I of the state constitution of 1963.

Sec. 213. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of technology, management, and budget.

Sec. 216. It is the intent of the legislature that all revenue sources for funds appropriated in part 1 shall not be aggregated into general categories and shall be specifically identified and detailed as much as possible.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
  - (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
  - (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
  - (d) The travel is necessary to comply with federal requirements.
  - (e) The travel is necessary to secure specialized training for staff that is not available within this state.
  - (f) The travel is financed entirely by federal or nonstate funds.
- (2) The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

(3) Not later than January 1, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 220. 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. Within 14 days after the receipt of federal pass-through funds, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of pass-through funds appropriated under this section.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$45,000,000.00 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 \$31,000,000.00 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 \$8,000,000.00 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 \$600,000.00 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. 225. (1) Within 10 days after the receipt of a grant appropriated in the private grant funded projects line item in part 1, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

(2) The department shall report to the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director by January 15 on the amount and uses of the federal energy program grants appropriated in part 1 in the line item for the bureau of energy systems.

Sec. 226. Not later than October 15, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the fiscal agencies.

Sec. 227. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. In addition to the funds appropriated in part 1, these funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

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

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

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

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to 451.2703.

(e) Labor law books.

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

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Sec. 228. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 231. (1) On a quarterly basis, the department shall report on the number of FTEs in pay status by civil service classification to the senate and house appropriations subcommittees on economic development and the senate and house fiscal agencies.

(2) From the funds appropriated in part 1, the department shall develop, post, and maintain on a user-friendly and publicly accessible Internet website all expenditures made by the department within a fiscal year. The posting must include the purpose for which each expenditure is made. Funds appropriated in part 1 from the federal American recovery and reinvestment act shall also be included on a publicly accessible website maintained by the Michigan economic recovery office. The department shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes private or security standards applicable to that section.

(3) The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of this section.

## **REGULATORY**

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

Sec. 301a. (1) Cities, villages, and townships receiving fire protection grant funds in accordance with 1977 PA 289, MCL 141.951 to 141.956, shall submit a report to the department detailing the expenditures made by the local unit from

fire protection grant funds, the fire-related activities of the local unit’s police and fire departments on state property, and the costs of such activities. The local unit shall provide a report no later than January 1, covering the state fiscal years ending September 30, 2010.

(2) The department shall provide a standard template for use by local units of government when submitting a report to the department.

(3) The department shall prepare a summary of the local submissions and provide it to the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director by March 31.

Sec. 302. Money appropriated under this act for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

<u>Operation and maintenance inspection fee</u>	
<u>Facility type</u>	<u>Facility size</u>
Hospitals	Any
	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>	
<u>Project cost range</u>	<u>Fee</u>
\$101,000.00 or less	minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00
\$10,000,001.00 or more	\$1.10 per \$1,000.00

or a maximum fee of \$60,000.00.

Sec. 302a. In addition to the funds appropriated in part 1, the funds credited to the cigarette fire safety standard and firefighter protection act fund created in section 13 of the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.503, shall be appropriated to be expended for the purposes provided for in the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.491 to 29.513. These funds are appropriated for expenditure when they are received.

Sec. 303. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year.

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

Sec. 320. If the revenue collected by the department from licensing and regulation fees collected by the bureau of commercial services exceeds the amount expended from appropriations in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 321. The department may resume printing the real estate law and rules book (red book). The red book shall include, but is not limited to, real estate laws and regulations and related statutes. The red book will be provided at no charge to actively licensed real estate brokers, associate brokers, and salespersons. Any other party seeking a copy of the red book may purchase the book from the bureau of commercial services at the bureau’s cost to produce the book or may print the bureau’s Internet version of the red book at no cost.

Sec. 323. Of the funds appropriated in part 1 for the department, up to \$200,000.00 may be used for administration and enforcement of unarmed combat regulation in Michigan.

Sec. 330. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget director and the subcommittees of the purpose and amount of each grant award.

Sec. 332. Not later than April 11, 2011, the department shall have a contract in place to modernize, improve, and integrate the unemployment insurance agency computer system.

Sec. 333. The department shall report quarterly to the members of the house and senate committees on appropriations, the fiscal agencies, and the state budget director on the percentage of unemployment claimants that meet the certification requirements for receiving benefits by using the Internet MARVIN system. The department shall implement improvements to the Internet MARVIN system that promote greater ease of access and security with a goal of reaching 50% of users certifying by using the Internet MARVIN system.

Sec. 340. MIOSHA shall provide an annual report by February 1 of each year to the state budget director, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 341. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

(2) On March 1 and September 1 of each year, the department shall provide a report to the fiscal agencies and subcommittees of any staffing time or activities regarding the development of a voluntary or mandatory, or both, ergonomic standard, whether contained in rules, guidelines, policy directives, or bulletins.

(3) The directions in this section are given in accordance with OAG, 2009, No. 7,225 (February 27, 2009).

Sec. 342. From the funds appropriated in part 1 for Michigan occupational safety and health consultation education and training (CET) grants, not less than \$80,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan.

Sec. 350. In addition to the funds appropriated in part 1, funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 361. (1) The public service commission shall implement a process for the low-income energy efficiency fund grants that shall require an application deadline of May 1 and the award announcements on October 1 of each year.

(2) The public service commission shall report by November 1 to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

(3) The funds collected from public utilities for low-income energy efficiency fund grants as provided under orders issued by the public service commission pursuant to 1939 PA 3, MCL 460.1 to 460.11, that are unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 368. No later than March 1, the department shall submit a report to the state budget office, the fiscal agencies, and the subcommittees, providing expenditure and revenue data and statistical data on licensing and regulatory activities of the bureau of commercial services and the bureau of construction codes during the previous fiscal year. To the extent possible, the data required shall be reported for each individual occupation, trade, or industry regulated.

Sec. 370. (1) Local units of government receiving liquor law enforcement grant funds in accordance with section 543 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1543, shall submit a report to the liquor control commission detailing the expenditures made by the local unit in enforcing the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303, and rules promulgated under that act. Local units shall also provide a report to the liquor control commission listing, for the local unit's most recently completed fiscal year, each liquor-related fee imposed by the local unit and the amount of revenue generated by each fee. Both reports required by this section shall be due to the liquor control commission not later than February 15.

(2) The liquor control commission shall provide a standard template for use by the local units of government when submitting a report to the commission.

(3) The liquor control commission shall provide a summary of the local reports to the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director by March 31.

Sec. 371. (1) From the funds appropriated in part 1 for liquor licensing and enforcement, the liquor control commission shall coordinate its investigation and enforcement activities concerning the illegal sale, delivery, and importation of spirits with the investigation and enforcement activities of the department of state police concerning tobacco taxes and other illegal cash transactions.

(2) The commission shall provide an annual report to the subcommittees, the fiscal agencies, and the state budget office summarizing its investigation and enforcement activities concerning the illegal sale, delivery, and importation of spirits. As the commission considers appropriate, the report may include information concerning the number and value of products seized, the number of arrests, the amount of penalties imposed, and the amount of additional taxes imposed and collected.

#### **OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Sec. 401. In addition to the funds appropriated in part 1, the funds collected by the office of financial and insurance regulation in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 402. In addition to the funds appropriated in part 1, the funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. These funds are appropriated for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 403. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

(2) As used in this section, "covered person" means that term as defined in section 3 of the patient's right to independent review act, 2000 PA 251, MCL 550.1903.

**MICHIGAN REHABILITATION SERVICES AND MICHIGAN COMMISSION FOR THE BLIND**

Sec. 601. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 602. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112.

Sec. 603. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Sec. 604. All funds appropriated in part 1 for independent living shall be used for the support of centers for independent living in compliance with federal rules and regulations for such centers, by existing centers in serving underserved areas, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the department. Funds must be used in a manner consistent with the state plan for independent living.

Sec. 610. (1) 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.

(2) Revenue collected by the Michigan commission for the blind and from private and local sources that is unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 611. The Michigan commission for the blind shall work collaboratively with service organizations and government entities to identify qualified match dollars to maximize use of available federal funds.

Sec. 612. The youth low-vision program is considered the payer of last resort. Other available public or private insurance coverage, including Medicaid or MICHild, and special education funds, shall be exhausted prior to using any funds appropriated in part 1 to purchase low-vision devices or equipment for an individual.

Sec. 613. (1) The funds appropriated in part 1 for a regional or subregional library shall not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

(2) In order to receive subregional state aid as appropriated in part 1, a regional or subregional library's fiscal agency shall agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the regional or subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1.

Sec. 615. The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. The department may charge fees for these services that are reasonably related to the cost of providing the services. In addition to the funds appropriated in part 1, funds collected by the department for these services are appropriated for all expenses necessary. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury.

**CAREER EDUCATION**

Sec. 701. From the appropriations in part 1, the department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 704. (1) The department shall collaborate with the state board of education, the department of human services, and the department of community health, to extend the duration of the Michigan after-school partnership, and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 may be used to support the Michigan after-school partnership. Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The cochairs, representing the department, the state board of education, the department of human services, and the department of community health shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and

to include representation from the department. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and governor.

Sec. 710a. From the funds appropriated in part 1 for workforce programs subgrantees, the department may allocate funding for grants to nonprofit organizations that offer programs to WIA-eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. Organizations eligible for funding under this section must have the capacity to provide similar programs in urban areas, as determined by the United States bureau of the census according to the most recent federal decennial census. Additionally, programs eligible for funding under this section must include the participation of local business partners. The department shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

Sec. 719. From the funds appropriated in part 1, the department may allocate no more than \$100,000.00 for the Michigan talent bank for a customized career center. The career center will be used to enhance the Michigan talent bank for job seekers and job providers and to increase the opportunities for job seekers in gaining employment. The career center shall use real-time data for job opportunities and shall use technology that will also provide users with job opportunities that match a job seeker's resume. The center shall be serviced by a Michigan-based customer service center and shall also contain a mobile component to allow for job searches on personal digital assistance or smart phone devices.

Sec. 733. The department shall publish the "activities classification structure data book" for Michigan community colleges on or before March 1.

Sec. 734. The department shall compile the information received from community colleges on North American Indian tuition waivers granted pursuant to 1976 PA 174, MCL 390.1251 to 390.1253, and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by February 15.

Sec. 735. The department shall compile the information received from community colleges on the number and types of associate degrees and other certificates awarded during the previous fiscal year and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by January 7.

### **WORKFORCE DEVELOPMENT**

Sec. 801. The department shall administer the jobs, education, and training program in accordance with the requirements of section 407(d) of title IV of the social security act, 42 USC 607, the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 802. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first and jobs, education, and training participants, whose department of human services program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

- (a) The number and percentage employed.
  - (b) The average hourly wage of those employed.
  - (c) The range of wages earned by those employed.
  - (d) The number and percentage receiving health care benefits from their employer.
  - (e) The type of jobs obtained by former participants in general categories.
  - (f) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.
  - (g) The number and percentage continuing to receive any type of public assistance.
- (2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15 of the location of the Internet site where the report containing the identified data is located.
- (3) The department shall cooperate with the department of human services in formulating and acquiring the identified data.

(4) The department may retain a third party to conduct the studies to obtain the data identified under this section.

Sec. 810. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, parents of public school pupils, and, at the board's discretion, representatives of organizations that provide school-based curriculum and youth programs focusing on entrepreneurship, work-readiness skills, and financial literacy.

Sec. 811. (1) The department shall make available, in person or by telephone, 1 disabled veterans outreach program specialist or local veterans employment representative to Michigan works! service centers, as resources permit, during hours of operation.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties.

(3) The department shall require each Michigan works! service center to have an employee available to ask each individual who requires intensive services beyond core services, as defined by section 134 of the workforce investment act of 1998, 29 USC 2864, whether that individual is a veteran. The employee shall refer any veteran needing or requesting veterans services to the disabled veterans outreach program specialist or local veterans employment representative assigned to the center.

(4) The department shall require that each Michigan works! service center shall have posted in a conspicuous place within the office a notice advising veterans that a disabled veterans outreach program specialist or a local veterans employment representative is available to assist him or her.

(5) The department shall require each Michigan works! service center to provide free mediated services to employers wishing to hire a veteran.

(6) The department shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 812. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The department shall report by January 15 to the subcommittees, the fiscal agencies, and the state budget office on the amount by fiscal year of federal workforce investment act funds appropriated under this section.

Sec. 813. Of the funds appropriated in part 1 for workforce training program subgrantees, up to \$200,000.00 shall be allocated for grants to 2 work force development programs, meeting the following criteria:

(a) Up to \$100,000.00 shall be allocated to 1 nonprofit organization to expand an existing innovative, employer-led, public/private workforce development program. Grant funds may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(i) Provide program participants with early intervention services that promote employment stabilization and alleviate barriers to job attainment, retention, or advancement, including assistance with transportation, language barriers, childcare, housing, and facilitating access to services available through public agencies and community-based organizations.

(ii) Provide program participants with training in basic job skills, basic life skills, and career exploration.

(iii) Provide program participants with opportunities for advancement within the network of partnering employers by facilitating incumbent worker training programs.

(iv) Demonstrate a quantifiable return on investment for participating employers, as evidenced by costs savings achieved through pooled training/workforce development activities, and increases in employee retention, attendance, satisfaction, and productivity.

(v) Have a regional impact across more than 3 counties.

(b) Up to \$100,000.00 shall be allocated to 1 nonprofit organization to expand an existing workforce development program operated collaboratively with local businesses and educational institutions to link unemployed and dislocated workers with new market industries and to spur the development of small businesses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(i) Provide low-wage, unemployed, and dislocated workers assistance in developing career pathways that provide education and career options for program participants to meet the workforce needs of new markets and in-demand occupations.

(ii) Provide educational programs and seminars that provide an introduction to the values and basic entrepreneurial skills necessary to successfully start a new business.

(iii) Provide programs that provide business incubation and support services, including entrepreneurial education and access to capital.

(iv) Provide program participants with job placement assistance, including on-the-job training, apprenticeships, and internships.

Sec. 815. Local Michigan works! agencies may utilize a portion of the funds received under part 1 for services provided by local libraries that serve as access points, service centers, or local partners serving high-demand service areas or underserved areas.

Sec. 816. From the funds appropriated in part 1 in the line item for workforce training programs subgrantees, not less than \$5,860,200.00 of federal funds shall be allocated to Focus: HOPE.

Sec. 817. It is the intent of the legislature that a portion of the workforce investment act, statewide activities funds be allocated to support coordinated efforts between local Michigan works! agencies and police and sheriff departments to create programs that offer gang diversion activities and support services to at-risk youth in Wyoming, Benton Harbor, Saginaw, Mt. Morris Charter Township, and Detroit.

Sec. 818. From the funds appropriated in part 1 for workforce training program subgrantees, \$150,000.00 may be allocated for not more than 1 grant for a job training and job preparation program that meets the following criteria:

(a) Involves prospective employers as community partners.

(b) Retrains displaced workers for health care industry jobs including pharmacy technician and medical coding in programs that require participants to complete at least 90 hours of field experience.



(c) Provides training at either no cost to participants or at a cost to participants of not more than 25% of the per student cost of offering the training program.

(d) Demonstrates a placement rate of 80% or more.

Sec. 821. (1) From the appropriation in part 1 for the Michigan nursing corps, grants shall be awarded to Michigan institutions of higher education consisting of public 4-year institutions, public 2-year institutions, independent colleges and universities, and tribally controlled community colleges with existing, accredited nursing baccalaureate or postgraduate education programs. The purpose of the grants is to prepare registered nurses and increase the number of nursing faculty. The department may also award grants on a cash or in-kind matching basis to licensed hospitals that agree to provide nurse educators and related clinical training to additional student nurses in partnership with institutions of higher education described in this subsection. Awards shall be made in a manner and form as determined by the department, in collaboration with the department of community health.

(2) One or more grants may be awarded to educational institutions for preparation of additional nurse faculty in programs that meet 1 or more of the following:

(a) Preparation of master's-degreed nursing faculty in a nationally accredited, accelerated program. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(b) Preparation of doctoral-degreed nursing faculty in an accelerated program within an existing, accredited doctor of philosophy in nursing program or doctorate of nursing practice program. Participants must be currently enrolled doctoral students who will be able to complete their doctoral degree program within 2 years. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(c) Preparation of clinical instructors for nursing education programs. The program shall include classroom instruction plus a practicum with students and patients. This program shall require collaborative agreements between nursing education programs and hospitals. It is expected that each graduate will provide clinical instruction for at least 1 cohort of nursing students per year.

(3) A program receiving a grant under subsection (2) shall provide that eligible participating students under subsection (2) are registered nurses willing to participate full-time in accredited programs and become employed in Michigan as nursing faculty or clinical instructors for a minimum number of years, as determined by the department of community health, upon completion of the program. The department of community health shall establish procedures for recovery of funds from students who do not remain employed in Michigan for the prescribed time period.

(4) One or more grants may be awarded for preparation of registered nurses in accredited, accelerated bachelor's in nursing programs. These programs shall be targeted toward Michigan workers who have been displaced from employment and who possess a bachelor's degree in a science-related area. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(5) One or more grants may be awarded to health care research, training, or development agencies for the purpose of development, implementation, or training related to educational technologies, including simulation or other virtual educational methods for the purpose of building capacity to educate a continuous supply of nurses for Michigan's workforce.

(6) Program management, data management, and evaluation for these projects shall be the responsibility of the department of community health, in collaboration with the department.

(7) The department and the department of community health shall work to increase the amount of federal funds for nurse education available to the state, eligible grantees described in subsection (1), and nursing students.

(8) The funds appropriated in part 1 for the Michigan nursing corps are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for the expenditure of grants until the project has been completed. The total cost of the work project is estimated at \$500,000.00 and the tentative completion date is September 30, 2012. These funds shall be used in accordance with the requirements of the workforce investment act of 1998, Public Law 105-220.

Sec. 830. (1) Of the funds appropriated in part 1 for the workforce training programs subgrantees, the department shall provide a report by December 15 to the house and senate chairs of the subcommittees, the state budget director, and the fiscal agencies on the status of the no-worker-left-behind program. The report shall include the following:

(a) The amount of funding allocated to each Michigan works! agency and the total funding allocated to the no-worker-left-behind program statewide by fund source.

(b) The number of participants enrolled in the program by each Michigan works! agency.

(c) The average duration of training for program participants by each Michigan works! agency.

(d) The number of participants enrolled in remedial education programs and the number of participants enrolled in literacy programs.

(e) The number of participants enrolled in programs at 2-year institutions.

(f) The number of participants enrolled in 4-year institutions.

(g) The number of participants enrolled in proprietary schools or other technical training programs.

(h) The number of participants that have completed education or training programs.

(i) The number of participants who secured employment in Michigan within 1 year of completing a no-worker-left-behind training program.

(j) The number of participants who completed a no-worker-left-behind training program and secured employment in a field related to their training.

(k) The average wage earned by participants who completed a no-worker-left-behind training program and secured employment within 1 year.

(2) Data collection for the report shall be for the period October 1, 2010 through September 30, 2011.

Sec. 832. The department shall ensure that school districts and career preparation programs operated by school districts are eligible education providers under the no-worker-left-behind program and programs funded by the federal workforce investment act.

**CAPITAL OUTLAY**

Sec. 901. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 902. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

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

A bill to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2011; 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.

Richard Hammel  
Jon Switalski  
Bill Rogers  
Conferees for the House

Mark Jansen  
Thomas M. George  
Conferees for the Senate

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

Senator Cropsey 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 conference report,

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

**Roll Call No. 427**

**Yeas—33**

Allen	Cherry	Jansen	Patterson
Anderson	Cropsey	Jelinek	Prusi
Barcia	Garcia	Kahn	Richardville
Basham	George	Kuipers	Sanborn
Birkholz	Gilbert	McManus	Stamas
Bishop	Gleason	Nofs	Switalski
Brater	Hardiman	Olshove	Van Woerkom
Brown	Jacobs	Pappageorge	Whitmer
Cassis			

**Nays—5**

Clark-Coleman	Hunter	Scott	Thomas
Clarke			

**Excused—0**

**Not Voting—0**

In The Chair: President

**Protest**

Senator Scott, under her constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on House Bill No. 5884 and moved that the statement she made during the discussion of the conference report be printed as her reasons for voting “no.”

The motion prevailed.

Senator Scott’s statement is as follows:

Michigan continues to face a terrible economic situation, and I realize that the state must tighten its budget, just as Michigan families are being forced to. That is why this budget is so important and why it is important to get it right. The DELEG budget provides funding to retrain workers, prevent home foreclosures, aid the underprivileged and disabled, and offer consumer protection.

Given the insurance rates charged to my constituents and others around the state, it is remarkable that the Legislature would seek to hamper the ability of a person whose sole purpose is to protect their interests. Funding the insurance advocate position for just half a year is a poor half measure.

While I am pleased the boilerplate permitting the use of credit scoring in setting insurance rates has been removed, I remain strongly opposed to the inclusion of boilerplate that prevents the development of ergonomics guidelines stricter than the federal ones. I do appreciate this budget continues funding the Michigan Nursing Corps program, but I am disappointed that the more flexible General Fund dollars cannot be found for the No Worker Left Behind program.

So with the number of concerns I have, I cannot support this budget.

**Committee Reports**

The Committee on Appropriations reported

**House Bill No. 5409, entitled**

A bill to make, supplement, and adjust appropriations for various state departments and agencies, for the judicial branch, and for the legislative branch, for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

With the recommendation that the substitute (S-6) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Ron Jelinek  
Chairperson

To Report Out:

Yeas: Senators Jelinek, Pappageorge, Hardiman, Kahn, Cropsey, George, Jansen, Brown, McManus, Stamas, Switalski, Anderson, Barcia, Brater, Cherry, Clark-Coleman and Scott

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Local, Urban and State Affairs reported

**Senate Bill No. 1440, entitled**

A bill to amend 1929 PA 312, entitled “The metropolitan district act,” (MCL 119.1 to 119.18) by adding section 5a.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Gerald Van Woerkom  
Chairperson

To Report Out:

Yeas: Senators Van Woerkom, Birkholz, Allen, Gleason and Basham

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Economic Development and Regulatory Reform reported

**House Bill No. 5198, entitled**

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending section 701 (MCL 436.1701), as amended by 2006 PA 682.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Alan Sanborn  
Chairperson

To Report Out:

Yeas: Senators Sanborn, Richardville, Allen, Gilbert, Thomas and Hunter

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Economic Development and Regulatory Reform reported

**House Bill No. 5199, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 319 (MCL 257.319), as amended by 2008 PA 463.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Alan Sanborn  
Chairperson

To Report Out:

Yeas: Senators Sanborn, Richardville, Allen, Gilbert, Thomas and Hunter

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Economic Development and Regulatory Reform reported

**House Bill No. 6007, entitled**

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 525 and 537 (MCL 436.1525 and 436.1537), as amended by 2008 PA 218, and by adding section 545.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Alan Sanborn  
Chairperson

To Report Out:

Yeas: Senators Sanborn, Richardville, Allen, Gilbert, Thomas and Hunter

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Economic Development and Regulatory Reform reported

**House Bill No. 6196, entitled**

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 720, 725, 726, 727, 728, 729, and 734 (MCL 339.720, 339.725, 339.726, 339.727, 339.728, 339.729, and 339.734), sections 720, 728, and 734 as amended by 2008 PA 161, sections 725 and 729 as amended by 2007 PA 1, and sections 726 and 727 as added by 1997 PA 10.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Alan Sanborn  
Chairperson

To Report Out:

Yeas: Senators Sanborn, Richardville, Allen, Gilbert, Thomas and Hunter

Nays: None

The bill was referred to the Committee of the Whole.

#### COMMITTEE ATTENDANCE REPORT

The Committee on Economic Development and Regulatory Reform submitted the following:

Meeting held on Wednesday, September 15, 2010, at 1:00 p.m., Rooms 402 and 403, Capitol Building

Present: Senators Sanborn (C), Richardville, Allen, Gilbert, Thomas and Hunter

Excused: Senator Jacobs

The Committee on Health Policy reported

**Senate Bill No. 1486, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 13101, 13102, 13104, 13105, 13106, 13107, 13108, 13109, 13110, and 13111 (MCL 333.13101, 333.13102, 333.13104, 333.13105, 333.13106, 333.13107, 333.13108, 333.13109, 333.13110, and 333.13111), sections 13101 and 13102 as amended and sections 13104, 13105, 13106, 13107, 13108, 13109, 13110, and 13111 as added by 2007 PA 149, and by adding sections 13105a and 13112; and to repeal acts and parts of acts.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Thomas M. George  
Chairperson

To Report Out:

Yeas: Senators George, Allen, Sanborn and Gleason

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Health Policy reported

**House Bill No. 4459, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 13805, 13807, 13809, 13810, 13811, 13813, 13817, 13819, 13821, 13823, 13825, 13827, 13829, 13830, and 13831 (MCL 333.13805, 333.13807, 333.13809, 333.13810, 333.13811, 333.13813, 333.13817, 333.13819, 333.13821, 333.13823, 333.13825, 333.13827, 333.13829, 333.13830, and 333.13831), sections 13805, 13807, 13809, 13810, and 13811 as added by 1990 PA 21, sections 13813, 13817, 13819, 13823, 13825, 13827, 13829, 13830, and 13831 as added by 1990 PA 18, and section 13821 as amended by 1996 PA 67, and by adding sections 13812, 13820, 13832, and 13833.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Thomas M. George  
Chairperson

To Report Out:

Yeas: Senators George, Allen, Sanborn and Gleason

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Health Policy reported

**House Bill No. 4583, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 5133 (MCL 333.5133), as amended by 1994 PA 420.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Thomas M. George  
Chairperson

To Report Out:

Yeas: Senators George, Allen, Sanborn and Gleason

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Health Policy reported

**House Bill No. 5614, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 16231 and 16233 (MCL 333.16231 and 333.16233), section 16231 as amended by 1993 PA 79 and section 16233 as amended by 1995 PA 196.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Thomas M. George  
Chairperson

To Report Out:

Yeas: Senators George, Allen, Sanborn and Gleason

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Health Policy reported

**House Bill No. 5735, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 7333a (MCL 333.7333a), as added by 2001 PA 231.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Thomas M. George  
Chairperson

To Report Out:

Yeas: Senators George, Allen, Sanborn and Gleason

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Health Policy submitted the following:

Meeting held on Wednesday, September 15, 2010, at 3:01 p.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators George (C), Allen, Sanborn and Gleason

Excused: Senators Patterson, Clarke and Jacobs

The Committee on Finance reported

**Senate Bill No. 403, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 273.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Nancy Cassis  
Chairperson

To Report Out:

Yeas: Senators Cassis, Gilbert, Pappageorge, Jansen, Jacobs, Cherry and Whitmer

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Finance submitted the following:

Meeting held on Thursday, September 16, 2010, at 12:20 p.m., Room 110, Farnum Building

Present: Senators Cassis (C), Gilbert, Pappageorge, Jansen, Jacobs, Cherry and Whitmer

COMMITTEE ATTENDANCE REPORT

The Committee on Education submitted the following:

Meeting held on Thursday, September 16, 2010, at 2:30 p.m., Room 210, Farnum Building

Present: Senators Kuipers (C), Van Woerkom, Cassis, Whitmer and Gleason

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Corrections (SB 1153) submitted the following:

Meeting held on Tuesday, September 21, 2010, at 8:30 a.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Cropsey (C), Kahn and Brater

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Community Health (SB 1152) submitted the following:

Meeting held on Tuesday, September 21, 2010, at 8:45 a.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Kahn (C), Cherry and Pappageorge

**Scheduled Meetings**

**Appropriations** - Wednesday, September 22, 2:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-6960)

**Subcommittee -**

**Capital Outlay** - Wednesday, September 22, and Thursday, September 23 (CANCELED), 9:00 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-2768)

**Commerce and Tourism** - Wednesday, September 22, 9:00 a.m., Room 100, Farnum Building (373-2413) (CANCELED)

**Economic Development and Regulatory Reform** - Wednesday, September 22, 1:00 p.m., Rooms 402 and 403, Capitol Building (373-7670)

**Finance** - Wednesday, September 22, 8:30 a.m., Rooms 402 and 403, Capitol Building (373-1758)

**Homeland Security and Emerging Technologies** - Wednesday, September 22, 9:00 a.m., Room 110, Farnum Building (373-5932)

**Legislative Retirement Board of Trustees -****Subcommittee -**

**Investment** - Wednesday, September 22, 1:30 p.m., Room 929, South Tower, House Office Building (373-0575)

**Senate Fiscal Agency Board of Governors** - Thursday, September 23, 9:00 a.m., Room S-101, Capitol Building (373-5300)

Senator Cropsey moved that the Senate adjourn.  
The motion prevailed, the time being 12:45 p.m.

The President, Lieutenant Governor Cherry, declared the Senate adjourned until Wednesday, September 22, 2010, at 10:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate

