

Act No. 79
Public Acts of 2009
Approved by the Governor
August 31, 2009
Filed with the Secretary of State
August 31, 2009
EFFECTIVE DATE: August 31, 2009

**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009**

Introduced by Senator Jelinek

ENROLLED SENATE BILL No. 334

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2009, from the following funds:

APPROPRIATION SUMMARY

Full-time equated classified positions.....	198.0		
GROSS APPROPRIATION		\$	450,922,000
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers.....			0
ADJUSTED GROSS APPROPRIATION		\$	450,922,000
Federal revenues:			
Total federal revenues			232,561,900
Special revenue funds:			
Total local revenues.....			2,123,500
Total private revenues			0
Total other state restricted revenues			(110,848,900)
State general fund/general purpose		\$	327,085,500

Sec. 102. DEPARTMENT OF CIVIL RIGHTS

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION		\$	285,000
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers.....			0
ADJUSTED GROSS APPROPRIATION		\$	285,000

Federal revenues:		
Total federal revenues	\$	0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	285,000
(2) CIVIL RIGHTS OPERATIONS		
Civil rights operations	\$	285,000
GROSS APPROPRIATION	\$	<u>285,000</u>
Appropriated from:		
State general fund/general purpose	\$	285,000

Sec. 103. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	394,228,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	394,228,200
Federal revenues:		
Total federal revenues		196,383,100
Special revenue funds:		
Total local revenues.....		2,123,500
Total private revenues.....		0
Total other state restricted revenues		(122,122,100)
State general fund/general purpose	\$	317,843,700

(2) COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Medicaid mental health services	\$	34,113,400
Medicaid substance abuse services.....		<u>2,448,700</u>
GROSS APPROPRIATION	\$	36,562,100
Appropriated from:		
Federal revenues:		
Total federal revenues		21,855,400
Special revenue funds:		
Total other state restricted revenues		(49,094,900)
State general fund/general purpose	\$	63,801,600

(3) CHILDREN'S SPECIAL HEALTH CARE SERVICES

Medical care and treatment	\$	<u>14,983,200</u>
GROSS APPROPRIATION	\$	14,983,200
Appropriated from:		
Federal revenues:		
Total federal revenues		7,461,600
State general fund/general purpose	\$	7,521,600

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

Closed site, transition, and related costs.....	\$	<u>7,997,700</u>
GROSS APPROPRIATION	\$	7,997,700
Appropriated from:		
State general fund/general purpose	\$	7,997,700

(5) MEDICAL SERVICES

Hospital services and therapy.....	\$	177,835,700
Physician services.....		89,794,100
Medicare premium payments		(14,917,600)
Home health services.....		248,500
Hospice services.....		(327,300)
Dental services.....		12,672,100
Ambulance services.....		(8,176,600)
Long-term care services.....		110,612,800

	For Fiscal Year Ending Sept. 30, 2009
Medicaid home- and community-based services waiver	\$ (2,326,200)
Adult home help services	(4,248,200)
Personal care services	(1,579,400)
Program of all-inclusive care for the elderly	(1,736,000)
Health plan services.....	(12,357,900)
MIChild program.....	7,741,900
Medicaid adults benefits waiver	1,658,200
Federal Medicare pharmaceutical program.....	4,541,500
Subtotal basic medical services program	359,435,600
School-based services.....	(24,750,400)
Subtotal special medical services payments	(24,750,400)
GROSS APPROPRIATION	\$ 334,685,200
Appropriated from:	
Federal revenues:	
Total federal revenues	167,066,100
Special revenue funds:	
Total local revenues.....	2,123,500
Merit award trust fund.....	5,312,500
Total other state restricted revenues	(78,339,700)
State general fund/general purpose	\$ 238,522,800

Sec. 104. DEPARTMENT OF CORRECTIONS

(1) APPROPRIATION SUMMARY

Full-time equated classified positions.....	198.0
GROSS APPROPRIATION	\$ 20,000,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION	\$ 20,000,000
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 20,000,000

(2) PLANNING AND COMMUNITY SUPPORT

Prisoner reintegration programs	\$ 11,158,700
Residential services.....	902,600
GROSS APPROPRIATION	\$ 12,061,300
Appropriated from:	
State general fund/general purpose	\$ 12,061,300

(3) FIELD OPERATIONS ADMINISTRATION

Full-time equated classified positions.....	198.0
Field operations—184.0 FTE positions	\$ 7,603,900
Electronic monitoring center—14.0 FTE positions.....	334,800
GROSS APPROPRIATION	\$ 7,938,700
Appropriated from:	
State general fund/general purpose	\$ 7,938,700

Sec. 105. DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 643,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION	\$ 643,800
Federal revenues:	
Total federal revenues	0

Special revenue funds:	
Total local revenues	\$ 0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 643,800
(2) DEPARTMENT OPERATIONS	
Building occupancy charges and rent	\$ 525,400
Records center relocation expenses	118,400
GROSS APPROPRIATION	\$ <u>643,800</u>
Appropriated from:	
State general fund/general purpose	\$ 643,800

Sec. 106. DEPARTMENT OF HUMAN SERVICES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 26,491,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 26,491,800
Federal revenues:	
Total federal revenues	36,178,800
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ (9,687,000)

(2) PUBLIC ASSISTANCE

Family independence program	\$ 30,934,200
State disability assistance payments	(331,600)
State supplementation	8,775,800
State supplementation administration	297,300
Day care services	(27,528,900)
GROSS APPROPRIATION	\$ <u>12,146,800</u>
Appropriated from:	
Federal revenues:	
Total federal revenues	20,000,000
State general fund/general purpose	\$ (7,853,200)

(3) CHILD SUPPORT ENFORCEMENT

Legal support contracts	\$ 600,000
Child support incentive payments	9,570,000
GROSS APPROPRIATION	\$ <u>10,170,000</u>
Appropriated from:	
Federal revenues:	
Federal child support incentive revenues - ARRA	10,170,000
State general fund/general purpose	\$ 0

(4) INFORMATION TECHNOLOGY

Child support automation	\$ <u>6,530,000</u>
GROSS APPROPRIATION	\$ 6,530,000
Appropriated from:	
Federal revenues:	
Federal child support incentive revenues - ARRA	6,530,000
State general fund/general purpose	\$ 0

(5) CHILDREN'S SERVICES

Adoption subsidies	\$ (1,136,200)
GROSS APPROPRIATION	\$ <u>(1,136,200)</u>
Appropriated from:	
Federal revenues:	
Total federal revenues	(521,200)
State general fund/general purpose	\$ (615,000)

(6) JUVENILE JUSTICE SERVICES

Child care fund	\$	(1,218,800)
GROSS APPROPRIATION	\$	(1,218,800)
Appropriated from:		
State general fund/general purpose	\$	(1,218,800)

Sec. 107. DEPARTMENT OF STATE POLICE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	3,811,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	3,811,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		3,811,000
State general fund/general purpose	\$	0

(2) FORENSIC SCIENCES

Laboratory operations	\$	3,811,000
GROSS APPROPRIATION	\$	3,811,000
Appropriated from:		
Special revenues:		
State services fee fund		3,811,000
State general fund/general purpose	\$	0

Sec. 108. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	5,462,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	5,462,200
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		7,462,200
State general fund/general purpose	\$	(2,000,000)

(2) LOCAL GOVERNMENT PROGRAMS

Blackstone settlement.....	\$	3,500,000
GROSS APPROPRIATION	\$	3,500,000
Appropriated from:		
Special revenue funds:		
Land reutilization fund		5,500,000
State general fund/general purpose	\$	(2,000,000)

(3) REVENUE SHARING

Constitutional state general revenue sharing grants	\$	(21,130,000)
Statutory state general revenue sharing grants		22,469,800
County revenue sharing payments.....		622,400
GROSS APPROPRIATION	\$	1,962,200
Appropriated from:		
Special revenue funds:		
Sales tax		1,962,200
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 2008-2009 is \$216,236,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$743,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

Child care fund..... \$ (1,218,800)

DEPARTMENT OF TREASURY

Constitutional state general revenue sharing grants \$ (21,130,000)
Statutory state general revenue sharing grants 22,469,800
County revenue sharing payments..... 622,400
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT \$ 743,400

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.

DEPARTMENT OF COMMUNITY HEALTH

Sec. 301. (1) Effective July 1, 2009, for fee-for-service recipients who do not reside in nursing homes, the pharmaceutical dispensing fee shall be \$2.50 or the pharmacy's usual or customary cash charge, whichever is less. For nursing home residents, the pharmaceutical dispensing fee shall be \$2.75 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. 302. The department of community health shall review contract policies for the women, infants, and children program in an effort to maximize vendor participation while not undermining the amount of program resources available to individuals.

DEPARTMENT OF CORRECTIONS

Sec. 351. At least 90 days before beginning any effort to privatize, except for the current effort to privatize and contract for prisoner mental health services which 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. 352. (1) Before privatizing any services or activities currently provided by state employees in the department, except for the privatization of prisoner mental health services which 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. In all cases, including the provision of prisoner mental health services, these private entities shall be adequately bonded, so as not to expose the state to any potential future liability or legal causes of action.

(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 of at least 5% of the costs of continuing to use state employees in providing the services or activities. Prior to awarding a contract for the provision of prisoner mental health treatment services, a cost-benefit analysis shall be completed as specified in subsection (1) above 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) 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.

(4) 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.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Sec. 401. For the fiscal year ending September 30, 2009, surplus funds in the community pollution prevention fund are hereby appropriated to the environmental protection fund in the amount of \$874,900.00.

DEPARTMENT OF TREASURY

Sec. 601. The amount appropriated in part 1 for statutory state general revenue sharing grants in combination with the appropriation in 2008 PA 261 for statutory state general revenue sharing grants is distributed to each city, village, and township in an amount equal to the amount the city, village, or township received in the 2008 state fiscal year under section 950(2) of 2007 PA 127.

Sec. 602. The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

REPEALERS

Sec. 1001. (1) Section 1620 of 2008 PA 246 is repealed.

(2) Section 1630 of 2008 PA 246 is repealed.

(3) Section 1634 of 2008 PA 246 is repealed.

(4) Section 1635 of 2008 PA 246 is repealed.

(5) Section 1636 of 2008 PA 246 is repealed.

(6) Section 516 of 2008 PA 248 is repealed.

- (7) Section 1104 of 2008 PA 248 is repealed.
- (8) Section 950 of 2008 PA 261 is repealed.
- (9) Section 711 of 2008 PA 275 is repealed.
- (10) Section 207 of 2008 PA 245 is repealed.
- (11) Section 207a of 2008 PA 245 is repealed.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved

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Governor