

**SUBSTITUTE FOR
HOUSE BILL NO. 4831**

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies for the fiscal year ending September 30, 2006; to supplement and adjust certain appropriations for the fiscal year ending September 30, 2005; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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ARTICLE 2

COMMUNITY COLLEGES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for



1 the fiscal year ending September 30, 2006, from the funds indicated
 2 in this part. The following is a summary of the appropriations in
 3 this part:

4 **COMMUNITY COLLEGES**

5 APPROPRIATION SUMMARY:

6	GROSS APPROPRIATION	\$	281,327,400
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers.....		0
10	ADJUSTED GROSS APPROPRIATION	\$	281,327,400
11	Total federal revenues		0
12	Total local revenues		0
13	Total private revenues		0
14	Total other state restricted revenues		0
15	State general fund/general purpose	\$	281,327,400
16	Sec. 102. OPERATIONS (PREPARED FOR JOBS)		
17	Alpena Community College	\$	4,777,100
18	Bay de Noc Community College		4,618,500
19	Delta College		12,917,100
20	Glen Oaks Community College		2,167,100
21	Gogebic Community College		3,951,500
22	Grand Rapids Community College		16,247,500
23	Henry Ford Community College		19,800,700
24	Jackson Community College		10,960,800
25	Kalamazoo Valley Community College		11,183,600
26	Kellogg Community College		8,786,700
27	Kirtland Community College		2,666,800



1	Lake Michigan College	4,728,900
2	Lansing Community College	28,097,100
3	Macomb Community College	29,978,600
4	Mid Michigan Community College	3,999,100
5	Monroe County Community College	3,890,800
6	Montcalm Community College	2,814,300
7	C.S. Mott Community College	14,205,400
8	Muskegon Community College	8,083,900
9	North Central Michigan College	2,738,100
10	Northwestern Michigan College	8,248,900
11	Oakland Community College	18,910,900
12	St. Clair County Community College	6,334,300
13	Schoolcraft College	11,098,900
14	Southwestern Michigan College	5,958,000
15	Washtenaw Community College	11,280,600
16	Wayne County Community College	14,582,200
17	West Shore Community College	<u>2,077,300</u>
18	GROSS APPROPRIATION	\$ 275,104,700
19	Appropriated from:	
20	State general fund/general purpose	\$ 275,104,700
21	Sec. 103. GRANTS (PREPARED FOR JOBS)	
22	At-risk student success program	\$ 3,322,700
23	Renaissance zone tax reimbursement funding	<u>2,900,000</u>
24	GROSS APPROPRIATION	\$ 6,222,700
25	Appropriated from:	
26	State general fund/general purpose	\$ 6,222,700



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 2005-2006 is \$281,327,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$281,327,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations	\$	275,104,700
At-risk student success program		3,322,700
Renaissance zone tax reimbursement program		<u>2,900,000</u>
TOTAL	\$	281,327,400

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

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of labor and economic growth shall use the Internet to fulfill the reporting requirements of this article. 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. 208. The department of labor and economic growth shall work collaboratively with community colleges to develop an



1 accelerated entrepreneurship curriculum, including an associate
2 degree, to provide students with the skills and knowledge needed
3 for creating their own businesses. The department shall annually
4 submit a report on the results of its work with the community
5 colleges under this section to the house and senate appropriations
6 subcommittees on community colleges, the house and senate fiscal
7 agencies, and the state budget director.

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

15 Sec. 210. The principal executive officer of each community
16 college receiving appropriations in part 1 shall take all
17 reasonable steps to ensure businesses in deprived and depressed
18 communities compete for and perform contracts to provide services
19 or supplies, or both. Each principal executive officer shall
20 strongly encourage firms with which the community college contracts
21 to subcontract with certified businesses in depressed and deprived
22 communities for services or supplies, or both.

23 Sec. 211. (1) The money appropriated in this article is
24 appropriated for community colleges with fiscal years ending June
25 30, 2006, and shall be paid out of the state treasury and
26 distributed by the state treasurer to the respective community
27 colleges in 11 monthly installments on the sixteenth of each month,



1 or the next succeeding business day, beginning with October 16,
2 2005. Each community college shall accrue its July and August 2006
3 payments to its institutional fiscal year ending June 30, 2006.
4 However, if a community college fails to submit all verified
5 Michigan community colleges activities classification structure
6 data for school year 2004-2005 to the department of labor and
7 economic growth by November 1, 2005, the monthly installments shall
8 be withheld from that community college until those data are
9 submitted. The amount from the money appropriated in part 1 that is
10 allocated to address the special needs of at-risk students shall be
11 paid in full by the state treasurer by November 1, 2005. The amount
12 distributed to a community college or department shall not exceed
13 the net state allocation authorized by this article.

14 (2) Except as otherwise provided by law, each of the amounts
15 appropriated shall be used solely for the respective purposes
16 stated in this article. The money appropriated by this article may
17 be used to match the cost of any available programs under the Carl
18 D. Perkins vocational and applied technology education act, 20 USC
19 2301 to 2415, including local administration.

20 Sec. 216. (1) A community college shall pay the employer's
21 contributions to the Michigan public school employees' retirement
22 system created by the public school employees retirement act of
23 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of
24 receiving money appropriated under this article.

25 (2) A community college shall not pay an employer's
26 contribution to more than 1 retirement fund providing benefits for
27 an employee.



1 Sec. 217. Money appropriated in part 1 shall not be used to
2 pay for the construction or maintenance of a self-liquidating
3 project. Any construction, renovation, or other capital outlay
4 project that exceeds \$1,000,000.00 requires the approval of a use
5 and finance statement by the joint capital outlay subcommittee
6 (JCOS) pursuant to JCOS policy.

7 Sec. 220. It is the intent of the legislature that the
8 legislature restore the infrastructure, technology, equipment, and
9 maintenance (ITEM) funding provided in previous fiscal years. In
10 addition, it is the intent of the legislature that the legislature,
11 in cooperation with the Michigan community college association,
12 develop proposals and financing alternatives for special
13 maintenance projects at community colleges that otherwise would not
14 qualify for financing under the state building authority.

15 Sec. 224. Recognizing the critical importance of education in
16 strengthening Michigan's workforce, the legislature encourages the
17 state's public community colleges to explore ways of increasing
18 collaboration and cooperation with 4-year universities,
19 particularly in the areas related to training, instruction, and
20 program articulation.

21 Sec. 230. (1) A community college shall not expend money
22 appropriated under this article to provide health care coverage for
23 community college employees or their dependents for abortion
24 services, other than for spontaneous abortion or to prevent the
25 death of the woman upon whom the abortion is performed. A community
26 college shall not approve a collective bargaining agreement or
27 enter into any other employment contract that includes health care



1 coverage for abortion services other than spontaneous abortion or
2 to prevent the death of the woman upon whom the abortion is
3 performed.

4 (2) If a community college expends money appropriated under
5 this article in violation of subsection (1), the community college
6 shall repay to this state an amount equal to the amount of money
7 spent in violation of subsection (1).

8 Sec. 231. In light of sections 1, 3, and 4 of 1846 RS 83, MCL
9 551.1, 551.3, and 551.4, and section 1 of 1939 PA 168, MCL 551.271,
10 the legislature intends that a community college receiving funding
11 under this article shall not use part 1 money to extend employee
12 benefits to the unmarried partners of the community college's
13 employees except for pre- and post-natal costs.

14 Sec. 234. Community colleges shall do the following:

15 (a) Undertake active measures to promote equal opportunities,
16 eliminate discrimination, and foster a diverse student body and
17 administration among all people including, but not limited to,
18 women, minorities, seniors, veterans, and people with disabilities.

19 (b) Review, analyze, and eradicate activities that may tend to
20 discriminate.

21 Sec. 235. It is the intent of the legislature that a workgroup
22 be formed to evaluate, discuss, and make recommendations for future
23 action regarding state university admission and enrollment policies
24 that specifically address the acceptance and application of college
25 credits earned by students through the postsecondary enrollment
26 options act, 1996 PA 160, MCL 388.511 to 388.524. The Michigan
27 community college association may create and administer the



1 workgroup and is encouraged to include members representing
2 university and K-12 school organizations. The workgroup shall
3 submit a report containing its findings and recommendations to the
4 house and senate appropriations subcommittees on community
5 colleges, the house and senate fiscal agencies, and the state
6 budget director by March 1, 2006.

7 Sec. 236. (1) It is the intent of the legislature that any
8 existing or new reciprocal tuition agreements entered into under
9 1972 PA 251, MCL 390.501 to 390.506, be submitted for review and
10 approval by the house and senate appropriations committees at least
11 once every 3 years.

12 (2) It is the intent of the legislature that, under any
13 reciprocal tuition agreement approved by the house and senate
14 appropriations committees, out-of-state students pay the in-state,
15 out-of-district tuition and fee rate at any Michigan community
16 college participating in the agreement.

17 Sec. 237. It is the intent of the legislature that a workgroup
18 that includes members of the legislature and the Michigan community
19 colleges association be formed to evaluate, discuss, and make
20 recommendations regarding the possibility of state payments in lieu
21 of taxes to community colleges whose districts contain land owned
22 by state, federal, or local governments or land that is otherwise
23 nontaxable. The workgroup shall submit a report containing its
24 findings and recommendations to the house and senate appropriations
25 subcommittees on community colleges, the house and senate fiscal
26 agencies, and the state budget director by March 1, 2006.

27 Sec. 238. It is the intent of the legislature that a workgroup



1 that includes members of the legislature and the Michigan community
2 colleges association be formed to evaluate, discuss, and make
3 recommendations regarding the impact of expanding eligibility for
4 the optional retirement plan established in section 3 of the
5 optional retirement act of 1967, 1967 PA 156, MCL 38.383, to
6 include faculty employed by community colleges on a part-time
7 basis. The workgroup shall submit a report containing its findings
8 and recommendations to the house and senate appropriations
9 subcommittees on community colleges, the house and senate fiscal
10 agencies, and the state budget director by March 1, 2006.

11 Sec. 239. The legislature intends that any executive or
12 legislative proposal or action, subsequent to the adoption of a
13 recommendation for appropriations for community colleges for the
14 fiscal year ending September 30, 2006, to increase appropriations
15 to state-supported 4-year universities in excess of the governor's
16 original recommendation for the fiscal year ending September 30,
17 2006, will be accompanied by a similar action or proposal for
18 state-supported community colleges.

19 Sec. 240. The legislature intends that not less than 70% of
20 the economic development job training grant money be awarded to
21 community colleges or a consortium of community colleges and other
22 eligible applicants as provided in the budget that appropriated the
23 economic development job training grant money. Further, the
24 legislature intends that at least a portion of the total
25 appropriation for economic development job training grants be
26 awarded to community colleges that offer certified programs that
27 are bureau of apprenticeship training certified. The Michigan



1 economic development corporation shall report by November 1 of each
2 year to the house and senate appropriations subcommittees on
3 community colleges and the senate and house fiscal agencies the
4 names of the community colleges awarded grant money under this
5 section, the amount of the grants awarded, and the percentage
6 awarded to bureau of apprenticeship training certified programs.

7 Sec. 241. It is the intent of the legislature that community
8 colleges expand their current nursing education programs and
9 increase nursing education program enrollments. This expansion may
10 include, but is not limited to, creating partnerships with
11 hospitals and other health care providers, expanding the focus and
12 utilization of the nursing scholarship program, and redirecting
13 existing institutional resources toward nursing education programs.

14 Sec. 242. (1) A task force shall be formed by October 15, 2005
15 to review, evaluate, discuss, and make recommendations regarding
16 performance indicators to be utilized in future budget years to
17 guide decisions regarding state funding to community colleges. The
18 task force shall consist of the following members:

19 (a) Two members of the Michigan house of representatives. One
20 member shall be designated by the speaker of the house, and 1
21 member shall be designated by the house minority leader.

22 (b) Two members of the Michigan senate. One member shall be
23 designated by the senate majority leader, and 1 member shall be
24 designated by the senate minority leader.

25 (c) Four representatives of Michigan public community
26 colleges. The Michigan community colleges association shall
27 designate 1 representative from each of the 4 groups described in



1 the activities classification structure data book published by the
2 department of labor and economic growth under section 501.

3 (2) The task force described in subsection (1) shall consider
4 at least all of the following performance indicators for community
5 colleges in performing its duties under subsection (1):

6 (a) Total number of degrees and certificates awarded and
7 subtotals of degrees and certificates awarded in high-cost areas.

8 (b) Total number of student contact hours provided and
9 subtotals of student contact hours provided in high-cost areas.

10 (c) Expenditures for administration as a percentage of total
11 operating fund expenditures.

12 (d) Licensure, certification, and registry exam pass rates and
13 the number of individuals obtaining licensure or certification or
14 passing a registry exam.

15 (e) Degree and certificate completion rates.

16 (f) Student transfer rates.

17 (g) Performance at transfer institutions.

18 (h) Student goal attainment.

19 (i) Placement and wage rates.

20 (j) Number of dual enrollment participants.

21 (k) Number of individuals participating in employer-sponsored
22 training.

23 (3) The task force described in subsection (1) shall submit a
24 report containing its findings and recommendations on the following
25 topics to the house and senate appropriations subcommittees on
26 community colleges, the house and senate fiscal agencies, and the
27 state budget director by February 1, 2006:



1 (a) The most appropriate and reliable performance indicators
2 to be utilized to guide decisions on state funding to community
3 colleges.

4 (b) The most efficient methodology for connecting state
5 funding to those indicators.

6 (4) The department of labor and economic growth shall work
7 with the task force to establish mechanisms to collect and verify
8 data for any indicators that the task force recommends but for
9 which reliable data are not currently available.

10 (5) It is the intent of the legislature that state funding to
11 community colleges will be based partially or wholly on performance
12 indicators in future budget years.

13 Sec. 243. It is the intent of the legislature that if the
14 estimate of fiscal year 2005-2006 general fund/general purpose
15 revenues as determined at the January 2006 consensus revenue
16 estimating conference is greater than the estimate as determined at
17 the August 2005 consensus revenue estimating conference, the
18 legislature will review the possibility of providing an increase of
19 up to \$3,200,000.00 for fiscal year 2005-2006 community college
20 operations funding.

21 **STATE AID - OPERATIONS**

22 Sec. 301. Unless otherwise stated, all data items used in
23 determining state aid in this article are as defined in the 2001
24 Manual for Uniform Financial Reporting, Michigan Public Community
25 Colleges, which shall be the basis for reporting data, and the 2003
26 Activities Classification Structure Manual for Michigan Community



1 Colleges, which shall be used to document financial needs of the
2 community colleges.

3 Sec. 302. A community college shall not include in the
4 enrollment data reported for determining state aid under this
5 article any student credit hours or student contact hours for a
6 student incarcerated in a Michigan penal institution. Exclusion of
7 these students is intended to avoid the payment of state aid under
8 this article for the same individuals for whom reimbursement is
9 provided by the state correctional system.

10 Sec. 303. A community college selected for audit under section
11 502 whose audited activities classification structure data is
12 significantly different than the data used to determine state aid
13 under this article shall return any overappropriated money as
14 provided in this subsection. The department of labor and economic
15 growth shall compare formula computations for the audited colleges
16 using pre- and post-audit data. If the state allocation is 2% or
17 more than the post-audit allocation amount, the college shall
18 return the excess money. The returned money shall be redistributed
19 to all 28 community colleges, prorated on the base appropriations
20 contained in part 1.

21 Sec. 304. It is the intent of the legislature to achieve full
22 funding of the Gast-Mathieu fairness in funding formula.

23 Sec. 305. The funds appropriated in part 1 for community
24 college operations are in addition to any funds appropriated for
25 community college operations for state fiscal year 2004-2005 under
26 section 701(3) of 2005 PA 11, which shall be recognized by the
27 community colleges as revenue in their institutional 2005-2006



1 fiscal years.

2 **GRANTS**

3 Sec. 401. (1) The community college at-risk student success
 4 program is continued. The funding shall be prorated among community
 5 colleges based on the number of student contact hours for
 6 developmental and preparatory instruction reported by each
 7 community college to the department of labor and economic growth
 8 pursuant to the 2003 Activities Classification Structure Manual for
 9 Michigan Community Colleges. Of the amount appropriated in part 1
 10 for the at-risk student success program, \$1,120,000.00 is allocated
 11 for base grants of \$40,000.00 each, to address the special needs of
 12 at-risk students at community colleges or the acquisition or
 13 upgrade of technology-related equipment and software.

14 (2) Of the amount appropriated in part 1 for the at-risk
 15 student success program, the balance of the appropriated money
 16 shall be distributed on a proration utilizing the sum of the most
 17 recent 3 years developmental/preparatory contact hours divided by
 18 the sum of the 3-year total contact hours at each college. Each
 19 community college's percentage shall be divided by the sum of all
 20 the percentages systemwide to obtain each community college's
 21 prorated grant amount.

22 (3) For the fiscal year ending September 30, 2006, the at-risk
 23 student success program money is allocated as follows:

24	Alpena Community College	\$	76,300
25	Bay de Noc Community College		91,300
26	Delta College		97,100



1	Glen Oaks Community College	123,600
2	Gogebic Community College	66,200
3	Grand Rapids Community College	117,200
4	Henry Ford Community College	146,300
5	Jackson Community College	102,000
6	Kalamazoo Valley Community College	89,700
7	Kellogg Community College	155,100
8	Kirtland Community College	125,800
9	Lake Michigan College	154,900
10	Lansing Community College	139,800
11	Macomb Community College	83,600
12	Mid Michigan Community College	134,400
13	Monroe County Community College	94,000
14	Montcalm Community College	66,700
15	C.S. Mott Community College	102,600
16	Muskegon Community College	149,700
17	North Central Michigan College	115,900
18	Northwestern Michigan College	123,100
19	Oakland Community College	144,600
20	St. Clair Community College	93,400
21	Schoolcraft College	129,000
22	Southwestern Michigan College	134,800
23	Washtenaw Community College	161,700
24	Wayne County Community College	174,900
25	West Shore Community College	129,000

26 (4) As used in this article, "at-risk students" means students
27 who meet 1 or more of the following criteria:



1 (a) Are initially placed in 1 or more developmental courses as
2 a result of standardized testing or as a result of failure to make
3 satisfactory academic progress.

4 (b) Are diagnosed as learning disabled.

5 (c) Require English as a second language (ESL) assistance.

6 (5) Grant funding under this section shall be utilized to
7 address the special needs of at-risk students or for equipment or
8 upgrade of information technology hardware or software. Activities
9 related to services provided to at-risk students include, but are
10 not limited to, pretesting for academic ability, counseling
11 contacts, and special programs. Equipment or information technology
12 hardware or software purchased under this section need not be
13 associated with the operation of a program designed to address the
14 needs of at-risk students.

15 (6) Grant funding under this section shall not be used for
16 indirect costs including, but not limited to, rent, utilities, or,
17 except as provided in this section, college administration.

18 (7) Each community college shall report to the department of
19 labor and economic growth a summary of all accomplishments under,
20 expenditures for, and compliance with the intent of this program,
21 including the number of at-risk students served. The report is
22 subject to audit as provided for in section 502(1). The report
23 shall be submitted not later than 90 days after the end of the
24 state's fiscal year.

25 Sec. 404. The appropriation in part 1 for renaissance zone
26 reimbursements shall be made to each eligible recipient no later
27 than 60 days after the department of treasury certifies to the



1 state budget director that it has received all necessary
2 information to properly determine the amounts due each eligible
3 recipient under section 12 of the Michigan renaissance zone act,
4 1996 PA 376, MCL 125.2692.

5 **REPORTS AND AUDITS**

6 Sec. 501. The department of labor and economic growth shall
7 publish the activities classification structure data book for
8 Michigan community colleges on or before March 1, 2006, for use by
9 the legislature during budget development for the fiscal year
10 ending September 30, 2007.

11 Sec. 502. (1) The auditor general or an independent public
12 accounting firm appointed by the auditor general shall audit data
13 for the fiscal year ending on June 30, 2005, as submitted to the
14 department of labor and economic growth by 7 randomly selected
15 community colleges, selected by the auditor general. A community
16 college shall maintain and provide those records necessary for the
17 auditor general or certified public accountant appointed by the
18 auditor general to determine the accuracy of the reported data. The
19 audits shall be based upon the definitions and requirements
20 contained in the 2001 Manual for Uniform Financial Reporting,
21 Michigan Public Community Colleges and the 2003 Activities
22 Classification Structure Manual for Michigan Community Colleges.
23 Before the submission of a final audit report, a community college
24 may appeal the findings of the preliminary report under an appeal
25 process to be established by the auditor general. The auditor
26 general shall submit a report of the findings to the house and



1 senate appropriations committees, the department of labor and
2 economic growth, and the state budget director before June 1, 2006.

3 (2) The auditor general or a certified public accountant
4 appointed by the auditor general may conduct performance audits of
5 community colleges as the auditor general considers necessary.

6 (3) Not more than 60 days after an audit report is released by
7 the office of the auditor general, the principal executive officer
8 of the community college that was audited shall submit to the house
9 and senate appropriations committees, the house and senate fiscal
10 agencies, the department of labor and economic growth, the auditor
11 general, and the state budget director a plan to comply with audit
12 recommendations. The plan shall contain projected dates and
13 resources required, if any, to achieve compliance with the audit
14 recommendations, or a documented explanation of the college's
15 noncompliance with the audit recommendations concerning the matters
16 on which the audited community college and office of the auditor
17 general disagree.

18 Sec. 503. The department of labor and economic growth shall
19 review the taxonomy of the 7 community colleges selected for the
20 audit under section 502 that is based on the 2003 Activities
21 Classification Structure Manual for Michigan Community Colleges.

22 Sec. 504. (1) A community college shall retain certified class
23 summaries, class lists, registration documents, and student
24 transcripts that are consistent with the taxonomy of courses. For
25 each enrollment period during the fiscal year, these certified
26 documents shall identify clearly by course the number of in-
27 district and out-of-district student credit and contact hours. The



1 class summaries and class lists shall be consistent with each other
2 and shall include the course prefix and numbers, course title,
3 course credit and contact hours, credit and contact hours generated
4 by each student, and activity classifications consistent with the
5 taxonomy. An auditable process shall be used by the community
6 college to determine the unduplicated head count for in-district
7 students, out-of-district students, and prisoners for each
8 enrollment period during the fiscal year.

9 (2) Contracts between the community college and agencies that
10 reimburse the community college for the costs of instruction shall
11 be retained for audit purposes.

12 Sec. 505. Each community college shall have an annual audit of
13 all income and expenditures performed by an independent auditor and
14 shall furnish the independent auditor's management letter and an
15 annual audited accounting of all general and current funds income
16 and expenditures including audits of college foundations to the
17 members of the senate and house appropriations subcommittees on
18 community colleges, the senate and house fiscal agencies, the
19 auditor general, the department of labor and economic growth, and
20 the state budget director before November 15, 2005. If a community
21 college fails to furnish the audit materials, the monthly state aid
22 installments shall be withheld from that college until the
23 information is submitted. All reporting shall conform to the
24 requirements set forth in the 2001 Manual for Uniform Financial
25 Reporting, Michigan Public Community Colleges.

26 Sec. 506. (1) Each community college shall report the
27 following to the department of labor and economic growth no later



1 than November 1, 2005:

2 (a) The number of North American Indian students enrolled each
3 term for the previous fiscal year, using guidelines and procedures
4 developed by the department of labor and economic growth and the
5 Michigan commission on Indian affairs.

6 (b) The number of Indian tuition waivers granted each term,
7 and the monetary value of the waivers for the previous fiscal year.

8 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL
9 390.1251 to 390.1253, to determine eligibility for tuition waivers,
10 and shall grant those waivers to individuals who meet the criteria
11 and request tuition waivers.

12 (3) The department of labor and economic growth shall compile
13 the information received under subsection (1) and shall submit this
14 compilation to the house and senate appropriations subcommittees on
15 community colleges, the senate and house fiscal agencies, and the
16 state budget director by January 7, 2006.

17 Sec. 507. Upon request, a community college shall inform
18 interested Michigan high schools of the aggregate academic status
19 of its students for the prior academic year, in a manner prescribed
20 by the Michigan community college association and in cooperation
21 with the Michigan association of secondary school principals.

22 Sec. 508. (1) Each community college shall report to the house
23 and senate fiscal agencies, the state budget director, and the
24 department of labor and economic growth by August 31, 2005, the
25 tuition and mandatory fees paid by a full-time in-district student
26 and a full-time out-of-district student as established by the
27 college governing board for the 2005-2006 academic year. This



1 report should also include the annual cost of attendance based on a
2 full-time course load of 30 credits. Each community college shall
3 also report any revisions to the reported 2005-2006 academic year
4 tuition and mandatory fees adopted by the college governing board
5 to the house and senate fiscal agencies, the state budget director,
6 and the department of labor and economic growth within 15 days of
7 being adopted.

8 (2) The department of labor and economic growth shall prepare
9 and provide to community colleges a standard format for reporting
10 tuition and fees pursuant to subsection (1).

11 Sec. 509. (1) Each community college shall report to the
12 department of labor and economic growth the numbers and type of
13 associate degrees and other certificates awarded during the
14 previous fiscal year. The report shall be made not later than
15 November 15, 2005.

16 (2) The department of labor and economic growth shall compile
17 the information received under subsection (1) and shall submit this
18 compilation to the house and senate appropriations subcommittees on
19 community colleges, the senate and house fiscal agencies, and the
20 state budget director by January 7, 2006.

21 Sec. 510. A community college receiving funding under this
22 article and also subject to the student right-to-know and campus
23 security act, Public Law 101-542, 104 Stat. 2381, shall make a copy
24 of all material prepared in accordance with the public information
25 reporting requirements under the crime awareness and campus
26 security act of 1990, title II of the student right-to-know and
27 campus security act, Public Law 101-542, 104 Stat. 2384, available



1 in hard copy and electronic format accessible through the Internet
2 for school districts, parents, and students.

3 Sec. 511. (1) It is the intent of the legislature that the
4 frequency and scope of on-site visits, evaluations, audits, and
5 similar activities be limited to that which is reasonably necessary
6 to monitor the performance of community colleges and confirm the
7 accuracy of reported data. On-site visits, evaluations, audits, and
8 similar activities conducted to comply with the state plan approved
9 by the United States department of education under the Perkins act
10 shall be limited to those necessary to meet the requirements of the
11 state plan.

12 (2) In developing and implementing audit and reporting
13 requirements, including those included in current and proposed
14 state plans under the Perkins act, the department of labor and
15 economic growth shall consult with community colleges, the
16 legislative auditor general, and independent auditors in an effort
17 to coordinate activities and minimize duplication of audit and
18 reporting requirements imposed on community colleges.

19 (3) At least 30 days before submission of a new state plan to
20 the United States department of education for approval under the
21 Perkins act, the department of labor and economic growth shall
22 provide copies of the proposed plan to the members of the senate
23 and house appropriations subcommittees on community colleges for
24 their review and comment. Copies of the proposed plan shall be
25 provided to the senate and house fiscal agencies and the state
26 budget director at the same time that they are provided to the
27 senate and house subcommittees.



1 (4) The Perkins grant application process and content shall be
2 streamlined to the extent possible.

3 (5) As used in this section, "Perkins act" means the Carl D.
4 Perkins vocational and applied technology education act, 20 USC
5 2301 to 2415.

6 Sec. 513. The department of treasury shall annually collect
7 and compile data on the tax revenue losses to community colleges
8 resulting from tax increment financing authorities (TIFA) and tax
9 abatements. The department of treasury shall produce a report
10 detailing the data. The report shall be completed and presented to
11 the house and senate appropriations subcommittees on community
12 colleges, the department of career development, and the department
13 of management and budget not later than March 1, 2006. The report
14 shall include, but is not limited to, the following:

15 (a) Estimated revenue losses for each community college for
16 the calendar year 2005.

17 (b) Confirmed revenue losses for each community college for
18 the calendar years 2003 and 2004.

19 (c) Other requirements requested by the house and senate
20 appropriations subcommittees on community colleges.

21 ARTICLE 3
22 DEPARTMENT OF COMMUNITY HEALTH
23 PART 1
24 LINE-ITEM APPROPRIATIONS

25 Sec. 101. Subject to the conditions set forth in this article,



1 the amounts listed in this part are appropriated for the department
 2 of community health for the fiscal year ending September 30, 2006,
 3 from the funds indicated in this part. The following is a summary
 4 of the appropriations in this part:

5 **DEPARTMENT OF COMMUNITY HEALTH**

6 APPROPRIATION SUMMARY:

7	Full-time equated unclassified positions	6.0	
8	Full-time equated classified positions	4,668.6	
9	Average population.....	1,135.0	
10	GROSS APPROPRIATION		\$ 10,326,194,000
11	Interdepartmental grant revenues:		
12	Total interdepartmental grants and intradepartmental		
13	transfers.....		34,090,000
14	ADJUSTED GROSS APPROPRIATION		\$ 10,292,104,000
15	Federal revenues:		
16	Total federal revenues		5,533,597,400
17	Special revenue funds:		
18	Total local revenues		231,524,400
19	Total private revenues		59,073,800
20	Merit award trust fund		50,300,000
21	Tobacco settlement trust fund		72,000,000
22	Total other state restricted revenues		1,393,709,000
23	State general fund/general purpose		\$ 2,951,899,400
24	Sec. 102. DEPARTMENTWIDE ADMINISTRATION (HEALTH)		
25	Full-time equated unclassified positions	6.0	
26	Full-time equated classified positions	207.0	
27	Director and other unclassified--6.0 FTE positions ...		\$ 581,500



1	Community health advisory council	7,000
2	Departmental administration and management--197.0 FTE	
3	positions.....	21,565,900
4	Worker's compensation program	8,558,700
5	Rent and building occupancy	8,700,400
6	Developmental disabilities council and projects--10.0	
7	FTE positions.....	<u>2,679,800</u>
8	GROSS APPROPRIATION	\$ 42,093,300
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues	11,518,800
12	Special revenue funds:	
13	Total private revenues	35,900
14	Total other state restricted revenues	3,419,300
15	State general fund/general purpose	\$ 27,119,300
16	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
17	ADMINISTRATION AND SPECIAL PROJECTS (HEALTH)	
18	Full-time equated classified positions..... 112.0	
19	Mental health/substance abuse program administration--	
20	111.0 FTE positions.....	\$ 11,959,200
21	Consumer involvement program	189,100
22	Gambling addiction--1.0 FTE position	3,500,000
23	Protection and advocacy services support	777,400
24	Mental health initiatives for older persons	1,049,200
25	Community residential and support services	2,971,200
26	Highway safety projects	750,000
27	Federal and other special projects	3,895,400



1	Family support subsidy	17,935,000
2	Housing and support services	<u>7,237,200</u>
3	GROSS APPROPRIATION	\$ 50,263,700
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues	32,310,500
7	Special revenue funds:	
8	Total private revenues	190,000
9	Total other state restricted revenues	4,127,900
10	State general fund/general purpose	\$ 13,635,300
11	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE	
12	SERVICES PROGRAMS (HEALTH)	
13	Full-time equated classified positions	9.5
14	Medicaid mental health services	\$ 1,577,446,000
15	Community mental health non-Medicaid services	312,598,300
16	Medicaid adult benefits waiver	40,000,000
17	Multicultural services	4,963,800
18	Medicaid substance abuse services	33,486,700
19	Respite services	1,000,000
20	CMHSP, purchase of state services contracts	125,727,300
21	Civil service charges	1,765,500
22	Federal mental health block grant--2.5 FTE positions .	15,345,200
23	State disability assistance program substance abuse	
24	services.....	2,509,800
25	Community substance abuse prevention, education, and	
26	treatment programs.....	85,219,100
27	Children's waiver home care program	19,549,800



1	Omnibus reconciliation act implementation--7.0 FTE	
2	positions.....	<u>12,475,700</u>
3	GROSS APPROPRIATION.....	\$ 2,232,087,200
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	1,041,901,100
7	Special revenue funds:	
8	Total local revenues.....	26,072,100
9	Total other state restricted revenues.....	98,485,800
10	State general fund/general purpose.....	\$ 1,065,628,200
11	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR	
12	PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC	
13	AND PRISON MENTAL HEALTH SERVICES (HEALTH)	
14	Total average population.....	1,135.0
15	Full-time equated classified positions.....	2,976.2
16	Caro regional mental health center - psychiatric	
17	hospital - adult--475.7 FTE positions.....	\$ 40,325,200
18	Average population.....	205.0
19	Kalamazoo psychiatric hospital - adult--518.1 FTE	
20	positions.....	41,040,900
21	Average population.....	200.0
22	Walter P. Reuther psychiatric hospital - adult--444.6	
23	FTE positions.....	40,211,100
24	Average population.....	240.0
25	Hawthorn center - psychiatric hospital - children and	
26	adolescents--224.4 FTE positions.....	20,077,900
27	Average population.....	66.0



1	Mount Pleasant center - developmental disabilities--	
2	496.0 FTE positions.....	38,780,500
3	Average population..... 199.0	
4	Center for forensic psychiatry--493.0 FTE positions ..	46,871,200
5	Average population..... 225.0	
6	Forensic mental health services provided to the	
7	department of corrections--313.4 FTE positions	32,844,800
8	Revenue recapture	750,000
9	IDEA, federal special education	120,000
10	Special maintenance and equipment	335,300
11	Purchase of medical services for residents of	
12	hospitals and centers.....	2,045,600
13	Closed site, transition, and related costs--11.0 FTE	
14	positions.....	637,600
15	Severance pay	216,900
16	Gifts and bequests for patient living and treatment	
17	environment.....	<u>1,000,000</u>
18	GROSS APPROPRIATION	\$ 265,257,000
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Interdepartmental grant from the department of	
22	corrections.....	32,844,800
23	Federal revenues:	
24	Total federal revenues	34,070,500
25	Special revenue funds:	
26	CMHSP, purchase of state services contracts	125,727,300
27	Other local revenues	15,146,200



1	Total private revenues	1,000,000
2	Total other state restricted revenues	10,157,100
3	State general fund/general purpose	\$ 46,311,100
4	Sec. 106. PUBLIC HEALTH ADMINISTRATION (HEALTH)	
5	Full-time equated classified positions	83.4
6	Public health administration--11.0 FTE positions	\$ 1,685,100
7	Minority health grants and contracts	1,550,000
8	Vital records and health statistics--72.4 FTE	
9	positions.....	<u>7,458,800</u>
10	GROSS APPROPRIATION	\$ 10,693,900
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	Interdepartmental grant from the department of human	
14	services.....	710,500
15	Federal revenues:	
16	Total federal revenues	2,765,100
17	Special revenue funds:	
18	Total other state restricted revenues	5,820,200
19	State general fund/general purpose	\$ 1,398,100
20	Sec. 107. HEALTH POLICY, REGULATION, AND	
21	PROFESSIONS (HEALTH)	
22	Full-time equated classified positions	396.2
23	Health systems administration--193.6 FTE positions ...	\$ 20,463,000
24	Emergency medical services program state staff--8.5	
25	FTE positions.....	1,336,200
26	Radiological health administration--25.0 FTE positions	2,372,100
27	Substance abuse program administration--4.0 FTE	



1	positions.....	430,200
2	Emergency medical services grants and services	702,900
3	Health professions--120.0 FTE positions	13,030,400
4	Health policy, regulation, and professions	
5	administration--25.7 FTE positions	2,571,700
6	Nurse scholarship, education, and research program--	
7	3.0 FTE positions.....	823,100
8	Certificate of need program administration--14.0 FTE	
9	positions.....	1,683,400
10	Rural health services--1.0 FTE position	1,377,900
11	Michigan essential health provider	1,391,700
12	Primary care services--1.4 FTE positions	<u>2,546,000</u>
13	GROSS APPROPRIATION	\$ 48,728,600
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	Interdepartmental grant from treasury	113,900
17	Federal revenues:	
18	Total federal revenues	19,614,400
19	Special revenue funds:	
20	Total private revenues	150,000
21	Total other state restricted revenues	21,581,900
22	State general fund/general purpose	\$ 7,268,400
23	Sec. 108. INFECTIOUS DISEASE CONTROL (HEALTH)	
24	Full-time equated classified positions.....	49.0
25	AIDS prevention, testing, and care programs--12.0 FTE	
26	positions.....	\$ 31,502,000
27	Immunization local agreements	13,990,300



1	Immunization program management and field support--	
2	15.0 FTE positions.....	1,860,700
3	Sexually transmitted disease control local agreements	3,494,900
4	Sexually transmitted disease control management and	
5	field support--22.0 FTE positions.....	<u>3,555,200</u>
6	GROSS APPROPRIATION.....	\$ 54,403,100
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	38,623,300
10	Special revenue funds:	
11	Total private revenues.....	3,250,500
12	Total other state restricted revenues.....	8,441,400
13	State general fund/general purpose.....	\$ 4,087,900
14	Sec. 109. LABORATORY SERVICES (HEALTH)	
15	Full-time equated classified positions..... 121.0	
16	Bovine tuberculosis--2.0 FTE positions.....	\$ 500,000
17	Laboratory services--119.0 FTE positions.....	<u>14,969,100</u>
18	GROSS APPROPRIATION.....	\$ 15,469,100
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Interdepartmental grant from environmental quality ...	420,800
22	Federal revenues:	
23	Total federal revenues.....	3,058,000
24	Special revenue funds:	
25	Total other state restricted revenues.....	5,232,800
26	State general fund/general purpose.....	\$ 6,757,500
27	Sec. 110. EPIDEMIOLOGY (HEALTH)	



1	Full-time equated classified positions	127.5	
2	AIDS surveillance and prevention program		\$ 2,513,200
3	Asthma prevention and control--2.3 FTE positions		1,045,600
4	Bioterrorism preparedness--76.1 FTE positions		50,357,000
5	Epidemiology administration--41.1 FTE positions		6,575,700
6	Newborn screening follow-up and treatment services--		
7	8.0 FTE positions.....		3,836,200
8	Tuberculosis control and recalcitrant AIDS program ...		<u>867,000</u>
9	GROSS APPROPRIATION		\$ 65,194,700
10	Appropriated from:		
11	Federal revenues:		
12	Total federal revenues		59,081,200
13	Special revenue funds:		
14	Total private revenues		25,000
15	Total other state restricted revenues		4,024,700
16	State general fund/general purpose		\$ 2,063,800
17	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS		
18	(HEALTH)		
19	Full-time equated classified positions	7.0	
20	Implementation of 1993 PA 133, MCL 333.17015		\$ 100,000
21	Lead abatement program--7.0 FTE positions		1,783,100
22	Local health services		220,000
23	Local public health operations		38,043,400
24	Medical services cost reimbursement to local health		
25	departments.....		<u>3,110,000</u>
26	GROSS APPROPRIATION		\$ 43,256,500
27	Appropriated from:		



1	Federal revenues:	
2	Total federal revenues	4,645,500
3	Special revenue funds:	
4	Total other state restricted revenues	491,100
5	State general fund/general purpose	\$ 38,119,900
6	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND	
7	HEALTH PROMOTION (HEALTH)	
8	Full-time equated classified positions	51.5
9	African-American male health initiative	\$ 106,700
10	AIDS and risk reduction clearinghouse and media	
11	campaign.....	1,576,000
12	Alzheimer's information network	440,000
13	Cancer prevention and control program--14.3 FTE	
14	positions.....	14,236,200
15	Chronic disease prevention--1.0 FTE position	4,575,700
16	Diabetes and kidney program--9.1 FTE positions	3,678,000
17	Health education, promotion, and research programs--	
18	9.3 FTE positions.....	728,600
19	Injury control intervention project--1.0 FTE position	527,900
20	Morris Hood Wayne State University diabetes outreach .	400,000
21	Physical fitness, nutrition, and health	700,000
22	Public health traffic safety coordination--1.7 FTE	
23	positions.....	584,900
24	Smoking prevention program--13.1 FTE positions	5,477,500
25	Tobacco tax collection and enforcement	610,000
26	Violence prevention--2.0 FTE positions	<u>1,892,300</u>
27	GROSS APPROPRIATION	\$ 35,533,800



1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues	19,655,800
4	Special revenue funds:	
5	Total private revenues	85,000
6	Total other state restricted revenues	14,689,200
7	State general fund/general purpose	\$ 1,103,800
8	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
9	SERVICES (HEALTH)	
10	Full-time equated classified positions	45.4
11	Childhood lead program--5.8 FTE positions	\$ 2,522,300
12	Dental programs	485,400
13	Dental program for persons with developmental	
14	disabilities.....	151,000
15	Early childhood collaborative secondary prevention ...	524,000
16	Family, maternal, and children's health services	
17	administration--39.6 FTE positions	4,419,100
18	Family planning local agreements	12,270,300
19	Local MCH services	7,264,200
20	Migrant health care	272,200
21	Pediatric AIDS prevention and control	1,176,800
22	Pregnancy prevention program	5,846,100
23	Prenatal care outreach and service delivery support ..	3,049,300
24	School health and education programs	500,000
25	Special projects	5,784,900
26	Sudden infant death syndrome program	<u>321,300</u>
27	GROSS APPROPRIATION	\$ 44,586,900



1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues	31,305,600
4	Special revenue funds:	
5	Total other state restricted revenues	8,464,000
6	State general fund/general purpose	\$ 4,817,300
7	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND	
8	NUTRITION PROGRAM (HEALTH)	
9	Full-time equated classified positions	41.0
10	Women, infants, and children program administration	
11	and special projects--41.0 FTE positions	\$ 6,498,800
12	Women, infants, and children program local agreements	
13	and food costs	<u>179,272,000</u>
14	GROSS APPROPRIATION	\$ 185,770,800
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues	132,538,400
18	Special revenue funds:	
19	Total private revenues	53,232,400
20	State general fund/general purpose	\$ 0
21	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
22	(HEALTH)	
23	Full-time equated classified positions	43.0
24	Children's special health care services	
25	administration--43.0 FTE positions	\$ 3,828,700
26	Amputee program	184,600
27	Requests for care and services	1,889,100



1	Outreach and advocacy	3,773,500
2	Conveyor contract	1,235,300
3	Medical care and treatment	<u>177,626,400</u>
4	GROSS APPROPRIATION	\$ 188,537,600
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues	90,824,200
8	Special revenue funds:	
9	Total private revenues	1,000,000
10	Total other state restricted revenues	2,450,000
11	State general fund/general purpose	\$ 94,263,400
12	Sec. 116. OFFICE OF DRUG CONTROL POLICY (SAFETY)	
13	Full-time equated classified positions	16.0
14	Drug control policy--16.0 FTE positions	\$ 2,104,200
15	Anti-drug abuse grants	24,970,300
16	Interdepartmental grant to judiciary for drug	
17	treatment courts.....	<u>1,800,000</u>
18	GROSS APPROPRIATION	\$ 28,874,500
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues	28,516,200
22	Special revenue funds:	
23	State general fund/general purpose	\$ 358,300
24	Sec. 117. CRIME VICTIM SERVICES COMMISSION	
25	(VULNERABLE)	
26	Full-time equated classified positions	10.0
27	Grants administration services--10.0 FTE positions ...	\$ 1,044,900



1	Justice assistance grants	13,000,000
2	Crime victim rights services grants	<u>9,655,300</u>
3	GROSS APPROPRIATION	\$ 23,700,200
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues	14,622,200
7	Special revenue funds:	
8	Total other state restricted revenues	9,078,000
9	State general fund/general purpose	\$ 0
10	Sec. 118. OFFICE OF SERVICES TO THE AGING	
11	(VULNERABLE)	
12	Full-time equated classified positions	36.5
13	Commission (per diem \$50.00)	\$ 10,500
14	Office of services to aging administration--36.5 FTE	
15	positions.....	5,181,700
16	Community services	35,204,200
17	Nutrition services	37,290,500
18	Senior volunteer services	5,624,900
19	Employment assistance	2,818,300
20	Respite care program	<u>7,600,000</u>
21	GROSS APPROPRIATION	\$ 93,730,100
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues	52,162,700
25	Special revenue funds:	
26	Total private revenues	105,000
27	Tobacco settlement trust fund	5,000,000



1	Total other state restricted revenues	2,767,000
2	State general fund/general purpose	\$ 33,695,400
3	Sec. 119. MEDICAL SERVICES ADMINISTRATION (HEALTH)	
4	Full-time equated classified positions	336.4
5	Medical services administration--336.4 FTE positions .	\$ 53,812,500
6	Facility inspection contract - labor and economic	
7	growth.....	132,800
8	MICChild administration	<u>4,327,800</u>
9	GROSS APPROPRIATION	\$ 58,273,100
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues	41,640,700
13	Special revenue funds:	
14	State general fund/general purpose	\$ 16,632,400
15	Sec. 120. MEDICAL SERVICES (HEALTH)	
16	Hospital services and therapy	\$ 1,146,145,700
17	Hospital disproportionate share payments	50,000,000
18	Physician services	265,150,300
19	Medicare premium payments	268,143,100
20	Pharmaceutical services	315,001,600
21	Home health services	62,714,300
22	Transportation	8,738,300
23	Auxiliary medical services	104,116,300
24	Ambulance services	12,855,200
25	Long-term care services	1,885,038,300
26	Elder prescription insurance coverage	3,900,000
27	Health plan services	1,935,938,100



1	MICHild program	47,875,600
2	Medicaid adult benefits waiver	95,696,400
3	Maternal and child health	20,279,500
4	Social services to the physically disabled	1,344,900
5	Federal Medicare pharmaceutical program	174,855,500
6	County indigent care and third share plans	89,167,400
7	Subtotal basic medical services program	6,486,960,500
8	School-based services	68,621,100
9	Special adjustor and special DSH payments	253,689,500
10	Subtotal special medical services payments	<u>322,310,600</u>
11	GROSS APPROPRIATION	\$ 6,809,271,100
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues	3,856,139,300
15	Special revenue funds:	
16	Total local revenues	64,578,800
17	Merit award trust fund	50,300,000
18	Tobacco settlement trust fund	67,000,000
19	Total other state restricted revenues	1,191,463,900
20	State general fund/general purpose	\$ 1,579,789,100
21	Sec. 121. INFORMATION TECHNOLOGY (HEALTH)	
22	Information technology services and projects	\$ 30,468,700
23	Michigan Medicaid information system	<u>100</u>
24	GROSS APPROPRIATION	\$ 30,468,800
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenues	18,603,900



1	Special revenue funds:	
2	Total other state restricted revenues	3,014,700
3	State general fund/general purpose	\$ 8,850,200

4 PART 1A
 5 LINE-ITEM APPROPRIATIONS

6 Sec. 151. Subject to the conditions set forth in this article,
 7 the amounts listed in this part are appropriated for the department
 8 of community health for the fiscal year ending September 30, 2005,
 9 from the funds indicated in this part:

10 **DEPARTMENT OF COMMUNITY HEALTH**

11 APPROPRIATION SUMMARY:

12	GROSS APPROPRIATION	\$ 18,800,000
13	Interdepartmental grant revenues:	
14	Total interdepartmental grants and intradepartmental	
15	transfers.....	0
16	ADJUSTED GROSS APPROPRIATION	\$ 18,800,000
17	Federal revenues:	
18	Total federal revenues	10,638,900
19	Special revenue funds:	
20	Total other state restricted revenues	8,161,100
21	State general fund/general purpose	\$ 0
22	Sec. 152. MEDICAL SERVICES	
23	Long-term care services	\$ <u>18,800,000</u>
24	GROSS APPROPRIATION	\$ 18,800,000

25 Appropriated from:



1	Federal revenues:	
2	Total federal revenues	10,638,900
3	Special revenue funds:	
4	Total other state restricted revenues	8,161,100
5	State general fund/general purpose	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

9 Sec. 201. Pursuant to section 30 of article IX of the state
10 constitution of 1963, total state spending from state resources
11 under part 1 for fiscal year 2005-2006 is \$4,467,908,400.00 and
12 state spending from state resources to be paid to units of local
13 government for fiscal year 2005-2006 is \$1,136,195,800.00. The
14 itemized statement below identifies appropriations from which
15 spending to local units of government will occur:

16 DEPARTMENT OF COMMUNITY HEALTH

17 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

18 AND SPECIAL PROJECTS

19	Mental health initiatives for older persons	\$ 1,049,200
20	COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS	
21	State disability assistance program substance	
22	abuse services.....	2,509,800
23	Community substance abuse prevention, education, and	
24	treatment programs.....	18,790,500
25	Medicaid mental health services	658,703,500



1	Community mental health non-Medicaid services	332,098,300
2	Medicaid adult benefits waiver	12,156,000
3	Multicultural services	4,963,800
4	Medicaid substance abuse services	14,530,300
5	Respite services	1,000,000
6	Omnibus budget reconciliation act implementation	2,882,500
7	HEALTH POLICY, REGULATION AND PROFESSIONS	
8	Health professions	275,000
9	Rural health	35,000
10	INFECTIOUS DISEASE CONTROL	
11	AIDS prevention, testing and care programs	1,400,000
12	Immunization local agreements	2,200,000
13	Sexually transmitted disease control local agreements	421,800
14	LABORATORY SERVICES	
15	Laboratory services	54,000
16	LOCAL HEALTH ADMINISTRATION AND GRANTS	
17	Implementation of 1993 PA 133	7,700
18	Local public health operations	38,043,400
19	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION	
20	Cancer prevention and control program	120,700
21	Diabetes and kidney program	295,800
22	Smoking prevention program	860,300
23	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES	
24	Childhood lead program	50,000
25	Dental programs	25,000
26	Family planning local agreements	360,000
27	Local MCH services	246,100



1	Pregnancy prevention program	2,300,000
2	Prenatal care outreach and service delivery support ..	636,000
3	School health and education programs	500,000
4	CHILDREN'S SPECIAL HEALTH CARE SERVICES	
5	Outreach and advocacy	1,283,200
6	MEDICAL SERVICES	
7	Transportation	1,275,300
8	OFFICE OF SERVICES TO THE AGING	
9	Community services	14,854,300
10	Nutrition services	11,280,300
11	Senior volunteer services	1,153,400
12	Respite care program	4,400,000
13	CRIME VICTIM SERVICES COMMISSION	
14	Crime victim rights services grants	<u>5,432,100</u>
15	TOTAL OF PAYMENTS TO LOCAL UNITS	
16	OF GOVERNMENT	\$ 1,136,195,800

17 Sec. 202. (1) The appropriations authorized under this article
18 are subject to the management and budget act, 1984 PA 431, MCL
19 18.1101 to 18.1594.

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

22 Sec. 203. As used in this article:

23 (a) "AIDS" means acquired immunodeficiency syndrome.

24 (b) "CMHSP" means a community mental health services program
25 as that term is defined in section 100a of the mental health code,
26 1974 PA 258, MCL 330.1100a.

27 (c) "Department" means the Michigan department of community



1 health.

2 (d) "DSH" means disproportionate share hospital.

3 (e) "EPIC" means elder prescription insurance coverage
4 program.

5 (f) "EPSDT" means early and periodic screening, diagnosis, and
6 treatment.

7 (g) "FTE" means full-time equated.

8 (h) "GME" means graduate medical education.

9 (i) "Health plan" means, at a minimum, an organization that
10 meets the criteria for delivering the comprehensive package of
11 services under the department's comprehensive health plan.

12 (j) "HIV/AIDS" means human immunodeficiency virus/acquired
13 immune deficiency syndrome.

14 (k) "HMO" means health maintenance organization.

15 (l) "IDEA" means individuals with disabilities education act.

16 (m) "IDG" means interdepartmental grant.

17 (n) "MCH" means maternal and child health.

18 (o) "MIChild" means the program described in section 1670.

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

20 (q) "Specialty prepaid health plan" means a program described
21 in section 232b of the mental health code, 1974 PA 258, MCL
22 330.1232b.

23 (r) "Title XVIII" means title XVIII of the social security
24 act, 42 USC 1395 to 1395hhh.

25 (s) "Title XIX" means title XIX of the social security act, 42
26 USC 1396 to 1396v.

27 (t) "Title XX" means title XX of the social security act, 49



1 USC 1397 to 1397f.

2 (u) "WIC" means women, infants, and children supplemental
3 nutrition program.

4 Sec. 204. The department of civil service shall bill the
5 department at the end of the first fiscal quarter for the 1% charge
6 authorized by section 5 of article XI of the state constitution of
7 1963. Payments shall be made for the total amount of the billing by
8 the end of the second fiscal quarter.

9 Sec. 205. (1) A hiring freeze is imposed on the state
10 classified civil service. State departments and agencies are
11 prohibited from hiring any new state classified civil service
12 employees and prohibited from filling any vacant state classified
13 civil service positions. This hiring freeze does not apply to
14 internal transfers of classified employees from 1 position to
15 another within a department.

16 (2) The state budget director may grant exceptions to this
17 hiring freeze when the state budget director believes that the
18 hiring freeze will result in rendering a state department or agency
19 unable to deliver basic services, cause loss of revenue to the
20 state, result in the inability of the state to receive federal
21 funds, or would necessitate additional expenditures that exceed any
22 savings from maintaining the vacancy. The state budget director
23 shall report quarterly to the chairpersons of the senate and house
24 of representatives standing committees on appropriations the number
25 of exceptions to the hiring freeze approved during the previous
26 quarter and the reasons to justify the exception.

27 Sec. 208. Unless otherwise specified, the department shall use



1 the Internet to fulfill the reporting requirements of this article.
2 This requirement may include transmission of reports via electronic
3 mail to the recipients identified for each reporting requirement or
4 it may include placement of reports on the Internet or Intranet
5 site.

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

10 (2) Funds appropriated in part 1 shall not be used for the
11 purchase of out-of-state goods or services, or both, if
12 competitively priced and comparable quality Michigan goods or
13 services, or both, are available.

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

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

25	(a) Maternal and child health block grant	\$	21,162,400
26	(b) Preventive health and health services		
27	block grant		5,617,500



1	(c) Substance abuse block grant	60,509,900
2	(d) Healthy Michigan fund	43,512,700
3	(e) Michigan health initiative	10,121,200

4 (2) On or before February 1, 2006, the department shall report
5 to the house of representatives and senate appropriations
6 subcommittees on community health, the house and senate fiscal
7 agencies, and the state budget director on the detailed name and
8 amounts of federal, restricted, private, and local sources of
9 revenue that support the appropriations in each of the line items
10 in part 1 of this article.

11 (3) Upon the release of the fiscal year 2006-2007 executive
12 budget recommendation, the department shall report to the same
13 parties in subsection (2) on the amounts and detailed sources of
14 federal, restricted, private, and local revenue proposed to support
15 the total funds appropriated in each of the line items in part 1 of
16 the fiscal year 2006-2007 executive budget proposal.

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

20 Sec. 213. The state departments, agencies, and commissions
21 receiving tobacco tax funds from part 1 shall report by January 1,
22 2006, to the senate and house of representatives appropriations
23 committees, the senate and house fiscal agencies, and the state
24 budget director on the following:

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

27 (b) Description of allocations or bid processes including need



1 or demand indicators used to determine allocations.

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

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

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

8 Sec. 214. The use of state-restricted tobacco tax revenue
9 received for the purpose of tobacco prevention, education, and
10 reduction efforts and deposited in the healthy Michigan fund shall
11 not be used for lobbying as defined in 1978 PA 472, MCL 4.411 to
12 4.431, and shall not be used in attempting to influence the
13 decisions of the legislature, the governor, or any state agency.

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

20 (2) The department's ability to satisfy appropriation
21 deductions in part 1 shall not be limited to collections and
22 accruals pertaining to services provided in fiscal year 2005-2006,
23 but shall also include reimbursements, refunds, adjustments, and
24 settlements from prior years.

25 (3) The department shall report by March 15, 2006 to the house
26 of representatives and senate appropriations subcommittees on
27 community health on all reimbursements, refunds, adjustments, and



1 settlements from prior years.

2 Sec. 218. Basic health services for the purpose of part 23 of
3 the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are:
4 immunizations, communicable disease control, sexually transmitted
5 disease control, tuberculosis control, prevention of gonorrhoea eye
6 infection in newborns, screening newborns for the 8 conditions
7 listed in section 5431(1)(a) through (h) of the public health code,
8 1978 PA 368, MCL 333.5431, community health annex of the Michigan
9 emergency management plan, and prenatal care.

10 Sec. 219. (1) The department may contract with the Michigan
11 public health institute for the design and implementation of
12 projects and for other public health related activities prescribed
13 in section 2611 of the public health code, 1978 PA 368, MCL
14 333.2611. The department may develop a master agreement with the
15 institute to carry out these purposes for up to a 3-year period.
16 The department shall report to the house of representatives and
17 senate appropriations subcommittees on community health, the house
18 and senate fiscal agencies, and the state budget director on or
19 before November 1, 2005 and May 1, 2006 all of the following:

- 20 (a) A detailed description of each funded project.
- 21 (b) The amount allocated for each project, the appropriation
22 line item from which the allocation is funded, and the source of
23 financing for each project.
- 24 (c) The expected project duration.
- 25 (d) A detailed spending plan for each project, including a
26 list of all subgrantees and the amount allocated to each
27 subgrantee.



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

9 (3) On or before September 30, 2006, the department shall
10 provide to the same parties listed in subsection (1) a copy of all
11 reports, studies, and publications produced by the Michigan public
12 health institute, its subcontractors, or the department with the
13 funds appropriated in part 1 and allocated to the Michigan public
14 health institute.

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

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

27 Sec. 259. From the funds appropriated in part 1 for



1 information technology, the department shall pay user fees to the
2 department of information technology for technology-related
3 services and projects. Such user fees shall be subject to
4 provisions of an interagency agreement between the department and
5 the department of information technology.

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

13 Sec. 261. Funds appropriated in part 1 for the Medicaid
14 management information system upgrade are contingent upon approval
15 of an advanced planning document from the centers for Medicare and
16 Medicaid services. If the necessary matching funds are identified
17 and legislatively transferred to this line item, the corresponding
18 federal Medicaid revenue shall be appropriated at a 90/10
19 federal/state match rate. This appropriation may be designated as
20 a work project and carried forward to support completion of this
21 project.

22 Sec. 264. Upon submission of a Medicaid waiver, a Medicaid
23 state plan amendment, or a similar proposal to the centers for
24 Medicare and Medicaid services, the department shall notify the
25 house of representatives and senate appropriations subcommittees on
26 community health and the house and senate fiscal agencies of the
27 submission.



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

6 Sec. 266. (1) Due to the current budgetary problems in this
7 state, out-of-state travel for the fiscal year ending September 30,
8 2006 shall be limited to situations in which 1 or more of the
9 following conditions apply:

10 (a) The travel is required by legal mandate or court order or
11 for law enforcement purposes.

12 (b) The travel is necessary to protect the health or safety of
13 Michigan citizens or visitors or to assist other states in similar
14 circumstances.

15 (c) The travel is necessary to produce budgetary savings or to
16 increase state revenues, including protecting existing federal
17 funds or securing additional federal funds.

18 (d) The travel is necessary to comply with federal
19 requirements.

20 (e) The travel is necessary to secure specialized training for
21 staff that is not available within this state.

22 (f) The travel is financed entirely by federal or nonstate
23 funds.

24 (2) If out-of-state travel is necessary but does not meet 1 or
25 more of the conditions in subsection (1), the state budget director
26 may grant an exception to allow the travel. Any exceptions granted
27 by the state budget director shall be reported on a monthly basis



1 to the house of representatives and senate standing committees on
2 appropriations.

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

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

14 (b) The destination of each travel occurrence.

15 (c) The dates of each travel occurrence.

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

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

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

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



1 **DEPARTMENTWIDE ADMINISTRATION**

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

6 Sec. 303. The department is prohibited from requiring first-
7 party payment from individuals or families with a taxable income of
8 \$10,000.00 or less for mental health services for determinations
9 made in accordance with section 818 of the mental health code, 1974
10 PA 258, MCL 330.1818.

11 **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL**
12 **PROJECTS**

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

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

22 Sec. 401. Funds appropriated in part 1 are intended to support
23 a system of comprehensive community mental health services under
24 the full authority and responsibility of local CMHSPs or specialty



1 prepaid health plans. The department shall ensure that each CMHSP
2 or specialty prepaid health plan provides all of the following:

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

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

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

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

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

24 (f) A system of continuous quality improvement.

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

27 (h) A system that serves at-risk and delinquent youth as



1 required under the provisions of the mental health code, 1974 PA
2 258, MCL 330.1001 to 330.2106.

3 Sec. 402. (1) From funds appropriated in part 1, final
4 authorizations to CMHSPs or specialty prepaid health plans shall be
5 made upon the execution of contracts between the department and
6 CMHSPs or specialty prepaid health plans. The contracts shall
7 contain an approved plan and budget as well as policies and
8 procedures governing the obligations and responsibilities of both
9 parties to the contracts. Each contract with a CMHSP or specialty
10 prepaid health plan that the department is authorized to enter into
11 under this subsection shall include a provision that the contract
12 is not valid unless the total dollar obligation for all of the
13 contracts between the department and the CMHSPs or specialty
14 prepaid health plans entered into under this subsection for fiscal
15 year 2005-2006 does not exceed the amount of money appropriated in
16 part 1 for the contracts authorized under this subsection.

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

21 (a) Any new contracts with CMHSPs or specialty prepaid health
22 plans that would affect rates or expenditures are enacted.

23 (b) Any amendments to contracts with CMHSPs or specialty
24 prepaid health plans that would affect rates or expenditures are
25 enacted.

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



1 expenditures.

2 Sec. 403. From the funds appropriated in part 1 for
3 multicultural services, the department shall ensure that CMHSPs or
4 specialty prepaid health plans continue contracts with
5 multicultural services providers.

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

12 (2) The report shall contain information for each CMHSP or
13 specialty prepaid health plan and a statewide summary, each of
14 which shall include at least the following information:

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

18 (b) Per capita expenditures by client population group.

19 (c) Financial information which, minimally, shall include a
20 description of funding authorized; expenditures by client group and
21 fund source; and cost information by service category, including
22 administration. Service category shall include all department
23 approved services.

24 (d) Data describing service outcomes which shall include, but
25 not be limited to, an evaluation of consumer satisfaction, consumer
26 choice, and quality of life concerns including, but not limited to,
27 housing and employment.



1 (e) Information about access to community mental health
2 services programs which shall include, but not be limited to, the
3 following:

4 (i) The number of people receiving requested services.

5 (ii) The number of people who requested services but did not
6 receive services.

7 (iii) The number of people requesting services who are on
8 waiting lists for services.

9 (iv) The average length of time that people remained on waiting
10 lists for services.

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

13 (g) An analysis of information provided by community mental
14 health service programs in response to the needs assessment
15 requirements of the mental health code, including information about
16 the number of persons in the service delivery system who have
17 requested and are clinically appropriate for different services.

18 (h) Lapses and carryforwards during fiscal year 2004-2005 for
19 CMHSPs or specialty prepaid health plans.

20 (i) Contracts for mental health services entered into by
21 CMHSPs or specialty prepaid health plans with providers, including
22 amount and rates, organized by type of service provided.

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

26 (i) Expenditures by each CMHSP or specialty prepaid health plan
27 organized by Medicaid eligibility group, including per eligible

1 individual expenditure averages.

2 (ii) Performance indicator information required to be submitted
3 to the department in the contracts with CMHSPs or specialty prepaid
4 health plans.

5 (3) The department shall include data reporting requirements
6 listed in subsection (2) in the annual contract with each
7 individual CMHSP or specialty prepaid health plan.

8 (4) The department shall take all reasonable actions to ensure
9 that the data required are complete and consistent among all CMHSPs
10 or specialty prepaid health plans.

11 Sec. 405. It is the intent of the legislature that the
12 employee wage pass-through funded in previous years to the
13 community mental health services programs for direct care workers
14 in local residential settings and for paraprofessional and other
15 nonprofessional direct care workers in day programs, supported
16 employment, and other vocational programs shall continue to be paid
17 to direct care workers.

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

25 (2) The department shall reimburse all licensed substance
26 abuse programs eligible to participate in the program at a rate
27 equivalent to that paid by the department of human services to



1 adult foster care providers. Programs accredited by department-
2 approved accrediting organizations shall be reimbursed at the
3 personal care rate, while all other eligible programs shall be
4 reimbursed at the domiciliary care rate.

5 Sec. 407. (1) The amount appropriated in part 1 for substance
6 abuse prevention, education, and treatment grants shall be expended
7 for contracting with coordinating agencies. Coordinating agencies
8 shall work with the CMHSPs or specialty prepaid health plans to
9 coordinate the care and services provided to individuals with both
10 mental illness and substance abuse diagnoses.

11 (2) The department shall approve a fee schedule for providing
12 substance abuse services and charge participants in accordance with
13 their ability to pay.

14 Sec. 408. (1) By April 15, 2006, the department shall report
15 the following data from fiscal year 2004-2005 on substance abuse
16 prevention, education, and treatment programs to the senate and
17 house of representatives appropriations subcommittees on community
18 health, the senate and house fiscal agencies, and the state budget
19 office:

20 (a) Expenditures stratified by coordinating agency, by central
21 diagnosis and referral agency, by fund source, by subcontractor, by
22 population served, and by service type. Additionally, data on
23 administrative expenditures by coordinating agency and by
24 subcontractor shall be reported.

25 (b) Expenditures per state client, with data on the
26 distribution of expenditures reported using a histogram approach.

27 (c) Number of services provided by central diagnosis and



1 referral agency, by subcontractor, and by service type.
2 Additionally, data on length of stay, referral source, and
3 participation in other state programs.

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

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

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

15 Sec. 410. The department shall assure that substance abuse
16 treatment is provided to applicants and recipients of public
17 assistance through the department of human services who are
18 required to obtain substance abuse treatment as a condition of
19 eligibility for public assistance.

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

26 (2) Each CMHSP or specialty prepaid health plan shall have
27 jail diversion services and shall work toward establishing working



1 relationships with representative staff of local law enforcement
2 agencies, including county prosecutors' offices, county sheriffs'
3 offices, county jails, municipal police agencies, municipal
4 detention facilities, and the courts. Written interagency
5 agreements describing what services each participating agency is
6 prepared to commit to the local jail diversion effort and the
7 procedures to be used by local law enforcement agencies to access
8 mental health jail diversion services are strongly encouraged.

9 Sec. 412. The department shall contract directly with the
10 Salvation Army harbor light program to provide non-Medicaid
11 substance abuse services at not less than the amount contracted for
12 in fiscal year 2004-2005.

13 Sec. 414. Medicaid substance abuse treatment services shall be
14 managed by selected CMHSPs or specialty prepaid health plans
15 pursuant to the centers for Medicare and Medicaid services'
16 approval of Michigan's 1915(b) waiver request to implement a
17 managed care plan for specialized substance abuse services. The
18 selected CMHSPs or specialty prepaid health plans shall receive a
19 capitated payment on a per eligible per month basis to assure
20 provision of medically necessary substance abuse services to all
21 beneficiaries who require those services. The selected CMHSPs or
22 specialty prepaid health plans shall be responsible for the
23 reimbursement of claims for specialized substance abuse services.
24 The CMHSPs or specialty prepaid health plans that are not
25 coordinating agencies may continue to contract with a coordinating
26 agency. Any alternative arrangement must be based on client service
27 needs and have prior approval from the department.



1 Sec. 418. On or before the tenth of each month, the department
2 shall report to the senate and house of representatives
3 appropriations subcommittees on community health, the senate and
4 house fiscal agencies, and the state budget director on the amount
5 of funding paid to the CMHSPs or specialty prepaid health plans to
6 support the Medicaid managed mental health care program in that
7 month. The information shall include the total paid to each CMHSP
8 or specialty prepaid health plan, per capita rate paid for each
9 eligibility group for each CMHSP or specialty prepaid health plan,
10 and number of cases in each eligibility group for each CMHSP or
11 specialty prepaid health plan, and year-to-date summary of
12 eligibles and expenditures for the Medicaid managed mental health
13 care program.

14 Sec. 423. The department shall work cooperatively with the
15 departments of human services, corrections, education, state
16 police, and military and veterans affairs to coordinate and improve
17 the delivery of substance abuse prevention, education, and
18 treatment programs within existing appropriations.

19 Sec. 424. Each community mental health services program or
20 specialty prepaid health plan that contracts with the department to
21 provide services to the Medicaid population shall adhere to the
22 following timely claims processing and payment procedure for claims
23 submitted by health professionals and facilities:

24 (a) A "clean claim" as described in section 111i of the social
25 welfare act, 1939 PA 280, MCL 400.111i, must be paid within 45 days
26 after receipt of the claim by the community mental health services
27 program or specialty prepaid health plan. A clean claim that is not



1 paid within this time frame shall bear simple interest at a rate of
2 12% per annum.

3 (b) A community mental health services program or specialty
4 prepaid health plan must state in writing to the health
5 professional or facility any defect in the claim within 30 days
6 after receipt of the claim.

7 (c) A health professional and a health facility have 30 days
8 after receipt of a notice that a claim or a portion of a claim is
9 defective within which to correct the defect. The community mental
10 health services program or specialty prepaid health plan shall pay
11 the claim within 30 days after the defect is corrected.

12 Sec. 425. By April 1, 2006, the department, in conjunction
13 with the department of corrections, shall report the following data
14 from fiscal year 2004-2005 on mental health and substance abuse
15 services to the house of representatives and senate appropriations
16 subcommittees on community health and corrections, the house and
17 senate fiscal agencies, and the state budget office:

18 (a) The number of prisoners receiving substance abuse
19 services, which shall include a description and breakdown of the
20 type of substance abuse services provided to prisoners.

21 (b) The number of prisoners with a primary diagnosis of mental
22 illness and the number of such prisoners receiving mental health
23 services, which shall include a description and breakdown,
24 minimally encompassing the categories of inpatient, residential,
25 and outpatient care, of the type of mental health services provided
26 to those prisoners.

27 (c) The number of prisoners with a primary diagnosis of mental



1 illness and receiving substance abuse services, which shall include
2 a description and breakdown, minimally encompassing the categories
3 of inpatient, residential, and outpatient care, of the type of
4 treatment provided to those prisoners.

5 (d) Data indicating if prisoners receiving mental health
6 services for a primary diagnosis of mental illness were previously
7 hospitalized in a state psychiatric hospital for persons with
8 mental illness.

9 (e) Data indicating if prisoners with a primary diagnosis of
10 mental illness and receiving substance abuse services were
11 previously hospitalized in a state psychiatric hospital for persons
12 with mental illness.

13 Sec. 428. (1) Each CMHSP and affiliation of CMHSPs shall
14 provide, from internal resources, local funds to be used as a bona
15 fide part of the state match required under the Medicaid program in
16 order to increase capitation rates for CMHSPs and affiliations of
17 CMHSPs. These funds shall not include either state funds received
18 by a CMHSP for services provided to non-Medicaid recipients or the
19 state matching portion of the Medicaid capitation payments made to
20 a CMHSP or an affiliation of CMHSPs.

21 (2) The distribution of the aforementioned increases in the
22 capitation payment rates, if any, shall be based on a formula
23 developed by a committee established by the department, including
24 representatives from CMHSPs or affiliations of CMHSPs and
25 department staff.

26 Sec. 435. A county required under the provisions of the mental
27 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide



1 matching funds to a CMHSP for mental health services rendered to
2 residents in its jurisdiction shall pay the matching funds in equal
3 installments on not less than a quarterly basis throughout the
4 fiscal year, with the first payment being made by October 1, 2005.

5 Sec. 439. (1) It is the intent of the legislature that the
6 department, in conjunction with CMHSPs, support pilot projects that
7 facilitate the movement of adults with mental illness from state
8 psychiatric hospitals to community residential settings.

9 (2) The purpose of the pilot projects is to encourage the
10 placement of persons with mental illness in community residential
11 settings who may require any of the following:

- 12 (a) A secured and supervised living environment.
- 13 (b) Assistance in taking prescribed medications.
- 14 (c) Intensive case management services.
- 15 (d) Assertive community treatment team services.
- 16 (e) Alcohol or substance abuse treatment and counseling.
- 17 (f) Individual or group therapy.
- 18 (g) Day or partial day programming activities.
- 19 (h) Vocational, educational, or self-help training or
20 activities.

21 (i) Other services prescribed to treat a person's mental
22 illness to prevent the need for hospitalization.

23 (3) The pilot projects described in this section shall be
24 completely voluntary.

25 (4) The department shall provide semiannual reports to the
26 house of representatives and senate appropriations subcommittees on
27 community health, the state budget office, and the house and senate



1 fiscal agencies as to any activities undertaken by the department
2 and CMHSPs for pilot projects implemented under this section.

3 Sec. 442. (1) It is the intent of the legislature that the
4 \$40,000,000.00 in funding transferred from the community mental
5 health non-Medicaid services line to support the Medicaid adult
6 benefits waiver program be used to provide state match for
7 increases in federal funding for primary care and specialty
8 services provided to Medicaid adult benefits waiver enrollees and
9 for economic increases for the Medicaid specialty services and
10 supports program.

11 (2) The department shall assure that persons enrolled in the
12 Medicaid adult benefits waiver program shall receive mental health
13 services under the priority population sections of the mental
14 health code, 1974 PA 258, MCL 330.1001 to 330.2106.

15 (3) Capitation payments to CMHSPs or specialty prepaid health
16 plans for persons who become enrolled in the Medicaid adult
17 benefits waiver program shall be made using the same rate
18 methodology as payments for the current Medicaid beneficiaries.

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



1 prepaid health plans.

2 Sec. 450. The department shall continue a work group comprised
3 of CMHSPs or specialty prepaid health plans and departmental staff
4 to recommend strategies to streamline audit and reporting
5 requirements for CMHSPs or specialty prepaid health plans. The
6 charge to this work group shall include a requirement to develop a
7 set of standards and criteria that satisfy all of the department's
8 audit requirements that are to be used by any contractor performing
9 services for CMHSPs or specialty prepaid health plans. The
10 department shall by March 31, 2006 provide those proposed standards
11 and criteria to the house of representatives and senate
12 appropriations subcommittees on community health, the house fiscal
13 agency, the senate fiscal agency, and the state budget director.

14 Sec. 452. Unless otherwise authorized by law, the department
15 shall not implement retroactively any policy that would lead to a
16 negative financial impact on community mental health services
17 programs or prepaid inpatient health plans.

18 Sec. 456. The prepaid inpatient health plans shall honor
19 consumer choice to the fullest extent possible when providing
20 Medicaid mental health services and support programs for
21 individuals with mental illness, developmental disabilities, or
22 substance abuse issues. Consumer choices shall include skill
23 building assistance and work preparatory services provided in
24 accredited community based rehabilitation organizations, as well as
25 supported and integrated employment services. The prepaid inpatient
26 health plans shall not arbitrarily eliminate any choices from the
27 array of services available to consumers without reasonable



1 justification that those services are not in the consumer's best
2 interest.

3 Sec. 457. The department shall assure that implementation of
4 the quality assurance assessment program for community mental
5 health prepaid inpatient health plans shall not result in any net
6 reduction in revenue for community mental health services. If the
7 quality assurance assessment program is not implemented, if it is
8 implemented and does not generate the anticipated revenue, or if it
9 is reduced or eliminated at a later date, the department shall
10 present a plan on how the projected general fund/general purpose
11 savings will be achieved to the house of representatives and senate
12 appropriations subcommittees on community health.

13 Sec. 458. By April 15, 2006, the department shall provide each
14 of the following to the house of representatives and senate
15 appropriations subcommittees on community health, the house and
16 senate fiscal agencies, and the state budget director:

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

20 (b) A report that evaluates the cost-benefit of establishing
21 secure residential facilities of fewer than 17 beds for adults with
22 serious mental illness, modeled after such programming in Oregon or
23 other states.

24 (c) In conjunction with the state court administrator's
25 office, a report that evaluates the cost-benefit of establishing a
26 specialized mental health court program that diverts adults with
27 serious mental illness alleged to have committed an offense deemed



1 nonserious into treatment prior to the filing of any charges.

2 Sec. 460. The department, through its organizational units
3 responsible for departmental administration, operation, and
4 finance, shall establish uniform definitions, standards, and
5 instructions for the classification, allocation, assignment,
6 calculation, recording, and reporting of administrative costs by
7 prepaid inpatient health plans (PIHPs), CMHSPs, and contracted
8 organized provider systems that receive payment or reimbursement
9 from funds appropriated under section 104 of part 1. The department
10 shall develop these definitions, standards, and instructions in
11 consultation with representatives of CMHSPs. By April 15, 2006, the
12 department shall provide a written draft of its proposed
13 definitions, standards, and instructions to the house of
14 representatives and senate appropriations subcommittees on
15 community health, the house and senate fiscal agencies, and the
16 state budget director.

17 Sec. 462. The department shall establish a work group
18 comprised of representatives of the department, CMHSPs,
19 legislature, and any other persons considered appropriate to
20 develop a plan to achieve funding equity for all CMHSPs that
21 receive funds appropriated under the community mental health non-
22 Medicaid services line. The funding equity plan shall establish, at
23 a minimum, a payment schedule or scale to ensure that each CMHSP is
24 paid or reimbursed equally based on the recipient's diagnosis or
25 individual plan of service sufficient to meet his or her needs, or
26 both. The department shall submit the written plan to the house of
27 representatives and senate appropriations subcommittees on



1 community health, the house and senate fiscal agencies, and the
2 state budget director by May 31, 2006.

3 Sec. 463. The department shall establish standard program
4 evaluation measures to assess the overall effectiveness of programs
5 provided through coordinating agencies and service providers in
6 reducing and preventing the incidence of substance abuse. The
7 measures established by the department shall be modeled after the
8 program outcome measures and best practice guidelines for the
9 treatment of substance abuse as proposed by the federal substance
10 abuse and mental health services administration. By March 1, 2006,
11 the department shall report to the house of representatives and
12 senate appropriations subcommittees on community health, the house
13 and senate fiscal agencies, and the state budget office on the
14 department's progress in designing and implementing a program
15 effectiveness evaluation system for coordinating agencies and
16 service providers.

17 Sec. 464. It is the intent of the legislature that revenue
18 received by the department from liquor license fees be expended
19 exclusively to fund programs for the prevention, rehabilitation,
20 care, and treatment of alcoholics pursuant to sections 543(1) and
21 1115(2) of the Michigan liquor control code of 1998, 1998 PA 58,
22 MCL 436.1543 and 436.2115.

23 Sec. 465. Funds appropriated in part 1 for respite services
24 shall be used for direct respite care services for children with
25 serious emotional disturbances and their families. Not more than 1%
26 of the funds allocated for respite services shall be expended by
27 CMHSPs for administration and administrative purposes.



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

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

9 (2) The department shall continue a revenue recapture project
10 to generate additional revenues from third parties related to cases
11 that have been closed or are inactive. Revenues collected through
12 project efforts are appropriated to the department for departmental
13 costs and contractual fees associated with these retroactive
14 collections and to improve ongoing departmental reimbursement
15 management functions.

16 Sec. 602. Unexpended and unencumbered amounts and accompanying
17 expenditure authorizations up to \$1,000,000.00 remaining on
18 September 30, 2006 from the amounts appropriated in part 1 for
19 gifts and bequests for patient living and treatment environments
20 shall be carried forward for 1 fiscal year. The purpose of gifts
21 and bequests for patient living and treatment environments is to
22 use additional private funds to provide specific enhancements for
23 individuals residing at state-operated facilities. Use of the gifts
24 and bequests shall be consistent with the stipulation of the donor.
25 The expected completion date for the use of gifts and bequests
26 donations is within 3 years unless otherwise stipulated by the



1 donor.

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

9 Sec. 604. (1) The CMHSPs or specialty prepaid health plans
10 shall provide semiannual reports to the department on the following
11 information:

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

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

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

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

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

25 Sec. 605. (1) The department shall not implement any closures
26 or consolidations of state hospitals, centers, or agencies until
27 CMHSPs or specialty prepaid health plans have programs and services



1 in place for those persons currently in those facilities and a plan
2 for service provision for those persons who would have been
3 admitted to those facilities.

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

10 (3) Four months after the certification of closure required in
11 section 19(6) of the state employees' retirement act, 1943 PA 240,
12 MCL 38.19, the department shall provide a closure plan to the house
13 of representatives and senate appropriations subcommittees on
14 community health and the state budget director.

15 (4) Upon the closure of state-run operations and after
16 transitional costs have been paid, the remaining balances of funds
17 appropriated for that operation shall be transferred to CMHSPs or
18 specialty prepaid health plans responsible for providing services
19 for persons previously served by the operations.

20 Sec. 606. The department may collect revenue for patient
21 reimbursement from first- and third-party payers, including
22 Medicaid and local county CMHSP payers, to cover the cost of
23 placement in state hospitals and centers. The department is
24 authorized to adjust financing sources for patient reimbursement
25 based on actual revenues earned. If the revenue collected exceeds
26 current year expenditures, the revenue may be carried forward with
27 approval of the state budget director. The revenue carried forward



1 shall be used as a first source of funds in the subsequent year.

2 **PUBLIC HEALTH ADMINISTRATION**

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

8 Sec. 651. By April 30, 2006, the department shall submit a
9 report to the house and senate fiscal agencies and the state budget
10 director on the activities and efforts of the surgeon general to
11 improve the health status of the citizens of this state with regard
12 to the goals and objectives stated in the "Healthy Michigan 2010"
13 report, and the measurable progress made toward those goals and
14 objectives.

15 **HEALTH POLICY, REGULATION AND PROFESSIONS**

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

21 Sec. 705. The department shall post on the Internet the
22 executive summary of the latest inspection for each licensed
23 nursing home.

24 Sec. 706. When hiring any new nursing home inspectors funded
25 through appropriations in part 1, the department shall make every



1 effort to hire individuals with past experience in the long-term
2 care industry.

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

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

23 Sec. 709. The funds appropriated in part 1 for the Michigan
24 essential health care provider program may also provide loan
25 repayment for dentists that fit the criteria established by part 27
26 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

27 Sec. 710. From the funds appropriated in part 1 for primary



1 care services, an amount not to exceed \$2,296,000.00 is
2 appropriated to enhance the service capacity of the federally
3 qualified health centers and other health centers which are similar
4 to federally qualified health centers.

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

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

20 Sec. 713. The department is directed to continue support of
21 multicultural agencies that provide primary care services from the
22 funds appropriated in part 1.

23 INFECTIOUS DISEASE CONTROL

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



1 and outreach services.

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

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

14 LOCAL HEALTH ADMINISTRATION AND GRANTS

15 Sec. 901. The amount appropriated in part 1 for implementation
16 of the 1993 amendments to sections 9161, 16221, 16226, 17014,
17 17015, and 17515 of the public health code, 1978 PA 368, MCL
18 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
19 333.17515, shall reimburse local health departments for costs
20 incurred related to implementation of section 17015(18) of the
21 public health code, 1978 PA 368, MCL 333.17015.

22 Sec. 902. If a county that has participated in a district
23 health department or an associated arrangement with other local
24 health departments takes action to cease to participate in such an
25 arrangement after October 1, 2005, the department shall have the
26 authority to assess a penalty from the local health department's



1 operational accounts in an amount equal to no more than 5% of the
2 local health department's local public health operations funding.
3 This penalty shall only be assessed to the local county that
4 requests the dissolution of the health department.

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

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

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

26 (3) Distributions in subsection (1) shall be made only to
27 counties that maintain local spending in fiscal year 2005-2006 of



1 at least the amount expended in fiscal year 1992-1993 for the
2 services described in subsection (1).

3 (4) By April 1, 2006, the department shall make available upon
4 request a report to the senate or house of representatives
5 appropriations subcommittee on community health, the senate or
6 house fiscal agency, or the state budget director on the planned
7 allocation of the funds appropriated for local public health
8 operations.

9 Sec. 905. From the funds appropriated in part 1 for local
10 public health operations, local health departments shall offer
11 hearing screening and vision services at a reduced level than that
12 provided in fiscal year 2004-2005. Local health departments shall
13 target these services to preschool and early elementary aged
14 schoolchildren.

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

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

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

25 (2) For purposes of complying with 2004 PA 164, \$900,000.00 of
26 the funds appropriated in part 1 for the smoking prevention program



1 shall be used for the quit kit program that includes the nicotine
2 patch or nicotine gum.

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

5 (a) Programs aimed at the prevention of spouse, partner, or
6 child abuse and rape.

7 (b) Programs aimed at the prevention of workplace violence.

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

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

14 Sec. 1009. From the funds appropriated in part 1 for the
15 diabetes and kidney program, a portion of the funds may be
16 allocated to the National Kidney Foundation of Michigan for kidney
17 disease prevention programming including early identification and
18 education programs and kidney disease prevention demonstration
19 projects.

20 Sec. 1010. From the funds appropriated in part 1 for chronic
21 disease prevention, \$200,000.00 shall be allocated for osteoporosis
22 prevention and treatment education.

23 Sec. 1019. From the funds appropriated in part 1 for chronic
24 disease prevention, \$50,000.00 may be allocated for stroke
25 prevention, education, and outreach. The objectives of the program
26 shall include education to assist persons in identifying risk
27 factors, and education to assist persons in the early



1 identification of the occurrence of a stroke in order to minimize
2 stroke damage.

3 Sec. 1028. Contingent on the availability of state restricted
4 healthy Michigan fund money or federal preventive health and health
5 services block grant fund money, funds may be appropriated for the
6 African-American male health initiative.

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

8 Sec. 1101. The department shall review the basis for the
9 distribution of funds to local health departments and other public
10 and private agencies for the women, infants, and children food
11 supplement program; family planning; and prenatal care outreach and
12 service delivery support program and indicate the basis upon which
13 any projected underexpenditures by local public and private
14 agencies shall be reallocated to other local agencies that
15 demonstrate need.

16 Sec. 1104. Before April 1, 2006, the department shall submit a
17 report to the house and senate fiscal agencies and the state budget
18 director on planned allocations from the amounts appropriated in
19 part 1 for local MCH services, prenatal care outreach and service
20 delivery support, family planning local agreements, and pregnancy
21 prevention programs. Using applicable federal definitions, the
22 report shall include information on all of the following:

23 (a) Funding allocations.

24 (b) Actual number of women, children, and/or adolescents
25 served and amounts expended for each group for the fiscal year
26 2004-2005.



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

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

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

21 (a) Teaches the gains to be realized by abstaining from sexual
22 activity.

23 (b) Teaches abstinence from sexual activity outside of
24 marriage as the expected standard for all school-age children.

25 (c) Teaches that abstinence is the only certain way to avoid
26 out-of-wedlock pregnancy, sexually transmitted diseases, and other
27 health problems.



1 (d) Teaches that a monogamous relationship in the context of
2 marriage is the expected standard of human sexual activity.

3 (e) Teaches that sexual activity outside of marriage is likely
4 to have harmful effects.

5 (f) Teaches that bearing children out of wedlock is likely to
6 have harmful consequences.

7 (g) Teaches young people how to avoid sexual advances and how
8 alcohol and drug use increases vulnerability to sexual advances.

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

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

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

20 Sec. 1107. Of the amount appropriated in part 1 for prenatal
21 care outreach and service delivery support, not more than 9% shall
22 be expended for local administration, data processing, and
23 evaluation.

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

27 Sec. 1109. (1) From the amounts appropriated in part 1 for



1 dental programs, funds shall be allocated to the Michigan dental
2 association for the administration of a volunteer dental program
3 that would provide dental services to the uninsured in an amount
4 that is no less than the amount allocated to that program in fiscal
5 year 1996-1997.

6 (2) Not later than December 1 of the current fiscal year, the
7 department shall make available upon request a report to the senate
8 or house of representatives appropriations subcommittee on
9 community health or the senate or house of representatives standing
10 committee on health policy the number of individual patients
11 treated, number of procedures performed, and approximate total
12 market value of those procedures through September 30, 2005.

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

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

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

26 Sec. 1129. The department shall provide a report annually to
27 the house of representatives and senate appropriations



1 subcommittees on community health, the house and senate fiscal
2 agencies, and the state budget director on the number of children
3 with elevated blood lead levels from information available to the
4 department. The report shall provide the information by county,
5 shall include the level of blood lead reported, and shall indicate
6 the sources of the information.

7 Sec. 1133. The department shall release infant mortality rate
8 data to all local public health departments no later than 48 hours
9 prior to releasing infant mortality rate data to the public.

10 Sec. 1135. (1) Provision of the school health education
11 curriculum, such as the Michigan model or another comprehensive
12 school health education curriculum, shall be in accordance with the
13 health education goals established by the Michigan model for the
14 comprehensive school health education state steering committee. The
15 state steering committee shall be comprised of a representative
16 from each of the following offices and departments:

17 (a) The department of education.

18 (b) The department of community health.

19 (c) The health administration in the department of community
20 health.

21 (d) The bureau of mental health and substance abuse services
22 in the department of community health.

23 (e) The department of human services.

24 (f) The department of state police.

25 (2) Upon written or oral request, a pupil not less than 18
26 years of age or a parent or legal guardian of a pupil less than 18
27 years of age, within a reasonable period of time after the request



1 is made, shall be informed of the content of a course in the health
2 education curriculum and may examine textbooks and other classroom
3 materials that are provided to the pupil or materials that are
4 presented to the pupil in the classroom. This subsection does not
5 require a school board to permit pupil or parental examination of
6 test questions and answers, scoring keys, or other examination
7 instruments or data used to administer an academic examination.

8 Sec. 1136. Contingent on the availability of state funds,
9 funds shall be allocated for child advocacy centers.

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

11 Sec. 1151. The department may work with local participating
12 agencies to define local annual contributions for the farmer's
13 market nutrition program, project FRESH, to enable the department
14 to request federal matching funds based on local commitment of
15 funds.

16 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

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

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

23 (a) Provide special formula for eligible clients with
24 specified metabolic and allergic disorders.

25 (b) Provide medical care and treatment to eligible patients



1 with cystic fibrosis who are 21 years of age or older.

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

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

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

11 OFFICE OF DRUG CONTROL POLICY

12 Sec. 1250. In addition to the \$1,800,000.00 in Byrne formula
13 grant program funding the department provides to local drug
14 treatment courts, the department shall provide \$1,800,000.00 in
15 Byrne formula grant program funding to the judiciary by
16 interdepartmental grant.

17 CRIME VICTIM SERVICES COMMISSION

18 Sec. 1302. From the funds appropriated in part 1 for justice
19 assistance grants, up to \$50,000.00 shall be allocated for
20 expansion of forensic nurse examiner programs to facilitate
21 training for improved evidence collection for the prosecution of
22 sexual assault. The funds shall be used for program coordination,
23 training, and counseling. Unexpended funds shall be carried
24 forward.

25 Sec. 1304. The department shall work with the department of



1 state police, the Michigan hospital association, the Michigan state
2 medical society, and the Michigan nurses association to ensure that
3 the recommendations included in the "Standard Recommended
4 Procedures for the Emergency Treatment of Sexual Assault Victims"
5 are followed in the collection of evidence.

6 **OFFICE OF SERVICES TO THE AGING**

7 Sec. 1401. The appropriation in part 1 to the office of
8 services to the aging, for community and nutrition services and
9 home services, shall be restricted to eligible individuals at least
10 60 years of age who fail to qualify for home care services under
11 title XVIII, XIX, or XX.

12 Sec. 1403. The office of services to the aging shall require
13 each region to report to the office of services to the aging home
14 delivered meals waiting lists based upon standard criteria.

15 Determining criteria shall include all of the following:

16 (a) The recipient's degree of frailty.

17 (b) The recipient's inability to prepare his or her own meals
18 safely.

19 (c) Whether the recipient has another care provider available.

20 (d) Any other qualifications normally necessary for the
21 recipient to receive home delivered meals.

22 Sec. 1404. The area agencies and local providers may receive
23 and expend fees for the provision of day care, care management,
24 respite care, and certain eligible home and community-based
25 services. The fees shall be based on a sliding scale, taking client
26 income into consideration. The fees shall be used to expand



1 services.

2 Sec. 1406. The appropriation of \$5,000,000.00 of tobacco
3 settlement funds to the office of services to the aging for the
4 respite care program shall be allocated in accordance with a long-
5 term care plan developed by the long-term care working group
6 established in section 1657 of 1998 PA 336 upon implementation of
7 the plan. The use of the funds shall be for direct respite care or
8 adult respite care center services. Not more than 9% of the amount
9 allocated under this section shall be expended for administration
10 and administrative purposes.

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

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



1 services waiver program.

2 **MEDICAL SERVICES**

3 Sec. 1601. The cost of remedial services incurred by residents
4 of licensed adult foster care homes and licensed homes for the aged
5 shall be used in determining financial eligibility for the
6 medically needy. Remedial services include basic self-care and
7 rehabilitation training for a resident.

8 Sec. 1602. Medical services shall be provided to elderly and
9 disabled persons with incomes less than or equal to 100% of the
10 official poverty level, pursuant to the state's option to elect
11 such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title
12 XIX, 42 USC 1396a.

13 Sec. 1603. (1) The department may establish a program for
14 persons to purchase medical coverage at a rate determined by the
15 department.

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

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

21 Sec. 1604. If an applicant for Medicaid coverage is found to
22 be eligible, the department shall provide payment for all of the
23 Medicaid covered and appropriately authorized services that have
24 been provided to that applicant since the first day of the month in
25 which the applicant filed and the department of human services
26 received the application for Medicaid coverage. Receipt of the



1 application by a local department of human services office is
2 considered the date the application is received. If an application
3 is submitted on the last day of the month and that day falls on a
4 weekend or a holiday and the application is received by the local
5 department of human services office on the first business day
6 following the end of the month, then receipt of the application is
7 considered to have been on the last day of the previous month. As
8 used in this section, "completed application" means an application
9 complete on its face and signed by the applicant regardless of
10 whether the medical documentation required to make an eligibility
11 determination is included.

12 Sec. 1605. (1) The protected income level for Medicaid
13 coverage determined pursuant to section 106(1)(b)(iii) of the social
14 welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related
15 public assistance standard.

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

21 Sec. 1606. For the purpose of guardian and conservator
22 charges, the department of community health may deduct up to \$60.00
23 per month as an allowable expense against a recipient's income when
24 determining medical services eligibility and patient pay amounts.

25 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
26 condition is pregnancy, shall immediately be presumed to be
27 eligible for Medicaid coverage unless the preponderance of evidence



1 in her application indicates otherwise. The applicant who is
2 qualified as described in this subsection shall be allowed to
3 select or remain with the Medicaid participating obstetrician of
4 her choice.

5 (2) An applicant qualified as described in subsection (1)
6 shall be given a letter of authorization to receive Medicaid
7 covered services related to her pregnancy. All qualifying
8 applicants shall be entitled to receive all medically necessary
9 obstetrical and prenatal care without preauthorization from a
10 health plan. All claims submitted for payment for obstetrical and
11 prenatal care shall be paid at the Medicaid fee-for-service rate in
12 the event a contract does not exist between the Medicaid
13 participating obstetrical or prenatal care provider and the managed
14 care plan. The applicant shall receive a listing of Medicaid
15 physicians and managed care plans in the immediate vicinity of the
16 applicant's residence.

17 (3) In the event that an applicant, presumed to be eligible
18 pursuant to subsection (1), is subsequently found to be ineligible,
19 a Medicaid physician or managed care plan that has been providing
20 pregnancy services to an applicant under this section is entitled
21 to reimbursement for those services until such time as they are
22 notified by the department that the applicant was found to be
23 ineligible for Medicaid.

24 (4) If the preponderance of evidence in an application
25 indicates that the applicant is not eligible for Medicaid, the
26 department shall refer that applicant to the nearest public health
27 clinic or similar entity as a potential source for receiving



1 pregnancy-related services.

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

5 Sec. 1610. The department of community health shall provide an
6 administrative procedure for the review of cost report grievances
7 by medical services providers with regard to reimbursement under
8 the medical services program. Settlements of properly submitted
9 cost reports shall be paid not later than 9 months from receipt of
10 the final report.

11 Sec. 1611. (1) For care provided to medical services
12 recipients with other third-party sources of payment, medical
13 services reimbursement shall not exceed, in combination with such
14 other resources, including Medicare, those amounts established for
15 medical services-only patients. The medical services payment rate
16 shall be accepted as payment in full. Other than an approved
17 medical services copayment, no portion of a provider's charge shall
18 be billed to the recipient or any person acting on behalf of the
19 recipient. Nothing in this section shall be considered to affect
20 the level of payment from a third-party source other than the
21 medical services program. The department shall require a
22 nonenrolled provider to accept medical services payments as payment
23 in full.

24 (2) Notwithstanding subsection (1), medical services
25 reimbursement for hospital services provided to dual
26 Medicare/medical services recipients with Medicare Part B coverage
27 only shall equal, when combined with payments for Medicare and



1 other third-party resources, if any, those amounts established for
2 medical services-only patients, including capital payments.

3 Sec. 1615. Unless prohibited by federal or state law or
4 regulation, the department shall require enrolled Medicaid
5 providers to submit their billings for services electronically.

6 Sec. 1616. Contingent upon recovery of Medicaid managed care
7 and fee-for-service payments through audits or other recovery
8 procedures, \$8,753,700.00, of which \$3,800,000.00 is general
9 fund/general purpose funds, may be authorized within the hospital
10 services and therapy line.

11 Sec. 1620. (1) For fee-for-service recipients who do not
12 reside in nursing homes, the pharmaceutical dispensing fee shall be
13 \$2.50 or the pharmacy's usual or customary cash charge, whichever
14 is less. For nursing home residents, the pharmaceutical dispensing
15 fee shall be \$2.75 or the pharmacy's usual or customary cash
16 charge, whichever is less.

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

21 (3) For fee-for-service recipients, an optional mail order
22 pharmacy program shall be available.

23 Sec. 1621. (1) The department may implement prospective drug
24 utilization review and disease management systems. The prospective
25 drug utilization review and disease management systems authorized
26 by this subsection shall have physician oversight, shall focus on
27 patient, physician, and pharmacist education, and shall be



1 developed in consultation with the national pharmaceutical council,
2 Michigan state medical society, Michigan association of osteopathic
3 physicians, Michigan pharmacists' association, Michigan health and
4 hospital association, and Michigan nurses' association.

5 (2) This section does not authorize or allow therapeutic
6 substitution.

7 Sec. 1621a. (1) The department, in conjunction with
8 pharmaceutical manufacturers or their agents, may establish pilot
9 projects to test the efficacy of disease management and health
10 management programs.

11 (2) The department may negotiate a plan that uses the savings
12 resulting from the services rendered from these programs, in lieu
13 of requiring a supplemental rebate for the inclusion of those
14 participating parties' products on the department's preferred drug
15 list.

16 Sec. 1623. (1) The department shall continue the Medicaid
17 policy that allows for the dispensing of a 100-day supply for
18 maintenance drugs.

19 (2) The department shall notify all HMOs, physicians,
20 pharmacies, and other medical providers that are enrolled in the
21 Medicaid program that Medicaid policy allows for the dispensing of
22 a 100-day supply for maintenance drugs.

23 (3) The notice in subsection (2) shall also clarify that a
24 pharmacy shall fill a prescription written for maintenance drugs in
25 the quantity specified by the physician, but not more than the
26 maximum allowed under Medicaid, unless subsequent consultation with
27 the prescribing physician indicates otherwise.



1 Sec. 1625. The department shall continue its practice of
2 placing all atypical antipsychotic medications on the Medicaid
3 preferred drug list.

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

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

13 Sec. 1628. (1) The department shall convene by April 2006 a
14 committee to study the implementation of psychotropic pharmacy
15 administration under Medicare part D for individuals dually
16 enrolled in the Medicare and Medicaid programs. This committee
17 shall study and evaluate the effectiveness of mental health
18 consumer enrollment and medication access through the Medicare part
19 D procedures for pharmaceutical management for dual eligibles.

20 (2) The committee shall include a representative from each of
21 the following organizations: the medical services administration,
22 the office of services to the aging, the department's mental health
23 and substance abuse services division, mental health association of
24 Michigan, national alliance for the mentally ill of Michigan,
25 Michigan psychiatric society, Michigan association of community
26 mental health boards, Michigan pharmacists association, Michigan
27 protection and advocacy service, international association of



1 psychosocial rehabilitation services, and the pharmaceutical
2 industry. The committee shall elect a chairperson who is not
3 employed by state government.

4 (3) The committee shall produce a report by September 30, 2006
5 to the senate and house of representatives appropriations
6 subcommittees on community health and the senate and house fiscal
7 agencies.

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

12 Sec. 1630. (1) Medicaid coverage for podiatric services, adult
13 dental services, and chiropractic services shall continue at not
14 less than the level in effect on October 1, 2002, except that
15 reasonable utilization limitations may be adopted in order to
16 prevent excess utilization. The department shall not impose
17 utilization restrictions on chiropractic services unless a
18 recipient has exceeded 18 office visits within 1 year.

19 (2) The department may implement the bulk purchase of hearing
20 aids, impose limitations on binaural hearing aid benefits, and
21 limit the replacement of hearing aids to once every 3 years.

22 Sec. 1631. (1) The department shall require copayments on
23 dental, podiatric, chiropractic, vision, and hearing aid services
24 provided to Medicaid recipients, except as prohibited by federal or
25 state law or regulation.

26 (2) Except as otherwise prohibited by federal or state law or
27 regulations, the department shall require Medicaid recipients to



1 pay the following copayments:

2 (a) Two dollars for a physician office visit.

3 (b) Three dollars for a hospital emergency room visit.

4 (c) Fifty dollars for the first day of an in-patient hospital
5 stay.

6 (d) One dollar for an out-patient hospital visit.

7 Sec. 1633. From the funds appropriated in part 1 for auxiliary
8 medical services, the department shall expand the healthy kids
9 dental program statewide if funds become available specifically for
10 expansion of the program.

11 Sec. 1634. From the funds appropriated in part 1 for ambulance
12 services, the department shall continue the 5% increase in payment
13 rates for ambulance services implemented in fiscal year 2000-2001
14 and increase the ground mileage reimbursement rate per statute mile
15 to \$4.25.

16 Sec. 1635. From the funds appropriated in part 1 for physician
17 services and health plan services, \$6,910,800.00, of which
18 \$3,000,000.00 is general fund/general purpose funds, shall be
19 allocated to increase Medicaid reimbursement rates for obstetrical
20 services.

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

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

26 (a) That the recipient shall not smoke.

27 (b) That the recipient shall attend all scheduled medical



1 appointments.

2 (c) That the recipient shall exercise regularly.

3 (d) That if the recipient has children, those children shall
4 be up-to-date on their immunizations.

5 (e) That the recipient shall abstain from abusing controlled
6 substances and narcotics.

7 Sec. 1641. An institutional provider that is required to
8 submit a cost report under the medical services program shall
9 submit cost reports completed in full within 5 months after the end
10 of its fiscal year.

11 Sec. 1643. Of the funds appropriated in part 1 for graduate
12 medical education in the hospital services and therapy line item
13 appropriation, not less than \$10,359,000.00 shall be allocated for
14 the psychiatric residency training program that establishes and
15 maintains collaborative relations with the schools of medicine at
16 Michigan State University and Wayne State University if the
17 necessary allowable Medicaid matching funds are provided by the
18 universities.

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

23 Sec. 1648. The department shall maintain an automated toll-
24 free phone line to enable medical providers to verify the
25 eligibility status of Medicaid recipients. There shall be no charge
26 to providers for the use of the toll-free phone line.

27 Sec. 1649. From the funds appropriated in part 1 for medical



1 services, the department shall continue breast and cervical cancer
2 treatment coverage for women up to 250% of the federal poverty
3 level, who are under age 65, and who are not otherwise covered by
4 insurance. This coverage shall be provided to women who have been
5 screened through the centers for disease control breast and
6 cervical cancer early detection program, and are found to have
7 breast or cervical cancer, pursuant to the breast and cervical
8 cancer prevention and treatment act of 2000, Public Law 106-354,
9 114 Stat. 1381.

10 Sec. 1650. (1) The department may require medical services
11 recipients residing in counties offering managed care options to
12 choose the particular managed care plan in which they wish to be
13 enrolled. Persons not expressing a preference may be assigned to a
14 managed care provider.

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

21 (3) The criteria for medical exceptions to HMO enrollment
22 shall be based on submitted documentation that indicates a
23 recipient has a serious medical condition, and is undergoing active
24 treatment for that condition with a physician who does not
25 participate in 1 of the HMOs. If the person meets the criteria
26 established by this subsection, the department shall grant an
27 exception to mandatory enrollment at least through the current



1 prescribed course of treatment, subject to periodic review of
2 continued eligibility.

3 Sec. 1651. (1) Medical services patients who are enrolled in
4 HMOs have the choice to elect hospice services or other services
5 for the terminally ill that are offered by the HMOs. If the patient
6 elects hospice services, those services shall be provided in
7 accordance with part 214 of the public health code, 1978 PA 368,
8 MCL 333.21401 to 333.21420.

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

13 Sec. 1653. Implementation and contracting for managed care by
14 the department through HMOs shall be subject to the following
15 conditions:

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

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

22 (c) Mandatory enrollment of Medicaid beneficiaries living in
23 counties defined as rural by the federal government, which is any
24 nonurban standard metropolitan statistical area, is allowed if
25 there is only 1 HMO serving the Medicaid population, as long as
26 each Medicaid beneficiary is assured of having a choice of at least
27 2 physicians by the HMO.



1 (d) Enrollment of recipients of children's special health care
2 services in HMOs shall be voluntary during the fiscal year.

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

9 Sec. 1654. Medicaid HMOs shall provide for reimbursement of
10 HMO covered services delivered other than through the HMO's
11 providers if medically necessary and approved by the HMO,
12 immediately required, and that could not be reasonably obtained
13 through the HMO's providers on a timely basis. Such services shall
14 be considered approved if the HMO does not respond to a request for
15 authorization within 24 hours of the request. Reimbursement shall
16 not exceed the Medicaid fee-for-service payment for those services.

17 Sec. 1655. (1) The department may require a 12-month lock-in
18 to the HMO selected by the recipient during the initial and
19 subsequent open enrollment periods, but allow for good cause
20 exceptions during the lock-in period.

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

23 Sec. 1656. (1) The department shall provide an expedited
24 complaint review procedure for Medicaid eligible persons enrolled
25 in HMOs for situations in which failure to receive any health care
26 service would result in significant harm to the enrollee.

27 (2) The department shall provide for a toll-free telephone



1 number for Medicaid recipients enrolled in managed care to assist
2 with resolving problems and complaints. If warranted, the
3 department shall immediately disenroll persons from managed care
4 and approve fee-for-service coverage.

5 (3) Annual reports summarizing the problems and complaints
6 reported and their resolution shall be provided to the house of
7 representatives and senate appropriations subcommittees on
8 community health, the house and senate fiscal agencies, and the
9 state budget office.

10 Sec. 1657. (1) Reimbursement for medical services to screen
11 and stabilize a Medicaid recipient, including stabilization of a
12 psychiatric crisis, in a hospital emergency room shall not be made
13 contingent on obtaining prior authorization from the recipient's
14 HMO. If the recipient is discharged from the emergency room, the
15 hospital shall notify the recipient's HMO within 24 hours of the
16 diagnosis and treatment received.

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

21 (3) Subsections (1) and (2) shall not be construed as a
22 requirement to alter an existing agreement between an HMO and their
23 contracting hospitals nor as a requirement that an HMO must
24 reimburse for services that are not considered to be medically
25 necessary.

26 (4) Prior to contracting with an HMO for managed care services
27 that did not have a contract with the department before October 1,



1 2002, the department shall receive assurances from the office of
2 financial and insurance services that the HMO meets the net worth
3 and financial solvency requirements contained in chapter 35 of the
4 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

5 Sec. 1658. (1) HMOs shall have contracts with hospitals within
6 a reasonable distance from their enrollees. If a hospital does not
7 contract with the HMO, in its service area, that hospital shall
8 enter into a hospital access agreement as specified in the MSA
9 bulletin Hospital 01-19.

10 (2) A hospital access agreement specified in subsection (1)
11 shall be considered an affiliated provider contract pursuant to the
12 requirements contained in chapter 35 of the insurance code of 1956,
13 1956 PA 218, MCL 500.3501 to 500.3580.

14 Sec. 1659. The following sections of this article are the only
15 ones that shall apply to the following Medicaid managed care
16 programs, including the comprehensive plan, children's special
17 health care services plan, MIChoice long-term care plan, and the
18 mental health, substance abuse, and developmentally disabled
19 services program: 401, 402, 404, 414, 418, 424, 428, 1650, 1651,
20 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1666, 1699,
21 and 1700.

22 Sec. 1660. (1) The department shall assure that all Medicaid
23 children have timely access to EPSDT services as required by
24 federal law. Medicaid HMOs shall provide EPSDT services to their
25 child members in accordance with Medicaid EPSDT policy.

26 (2) The primary responsibility of assuring a child's hearing
27 and vision screening is with the child's primary care provider. The



1 primary care provider shall provide age appropriate screening or
2 arrange for these tests through referrals to local health
3 departments. Local health departments shall provide preschool
4 hearing and vision screening services and accept referrals for
5 these tests from physicians or from Head Start programs in order to
6 assure all preschool children have appropriate access to hearing
7 and vision screening. Local health departments shall be reimbursed
8 for the cost of providing these tests for Medicaid eligible
9 children by the Medicaid program.

10 (3) The department shall require Medicaid HMOs to provide
11 EPSDT utilization data through the encounter data system, and
12 health employer data and information set well child health measures
13 in accordance with the National Committee on Quality Assurance
14 prescribed methodology.

15 (4) The department shall require HMOs to be responsible for
16 well child visits and maternal and infant support services as
17 described in Medicaid policy. These responsibilities shall be
18 specified in the information distributed by the HMOs to their
19 members.

20 (5) The department shall provide, on an annual basis, budget
21 neutral incentives to Medicaid HMOs and local health departments to
22 improve performance on measures related to the care of children and
23 pregnant women.

24 Sec. 1661. (1) The department shall assure that all Medicaid
25 eligible children and pregnant women have timely access to MSS/ISS
26 services. Medicaid HMOs shall assure that maternal support service
27 screening is available to their pregnant members and that those



1 women found to meet the maternal support service high-risk criteria
2 are offered maternal support services. Local health departments
3 shall assure that maternal support service screening is available
4 for Medicaid pregnant women not enrolled in an HMO and that those
5 women found to meet the maternal support service high-risk criteria
6 are offered maternal support services or are referred to a
7 certified maternal support service provider.

8 (2) The department shall prohibit HMOs from requiring prior
9 authorization of their contracted providers for any EPSDT screening
10 and diagnosis service, for any MSS/ISS screening referral, or for
11 up to 3 MSS/ISS service visits.

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

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

23 (2) The department shall provide a copy of the analysis of the
24 Medicaid HMO annual audited health employer data and information
25 set reports and the annual external quality review report to the
26 senate and house of representatives appropriations subcommittees on
27 community health, the senate and house fiscal agencies, and the



1 state budget director, within 30 days of the department's receipt
2 of the final reports from the contractors.

3 (3) The department shall work with the Michigan association of
4 health plans and the Michigan association for local public health
5 to improve service delivery and coordination in the MSS/ISS and
6 EPSDT programs.

7 (4) The department shall assure that training and technical
8 assistance are available for EPSDT and MSS/ISS for Medicaid health
9 plans, local health departments, and MSS/ISS contractors.

10 Sec. 1666. To increase timely repayment of the maternity case
11 rate to health plans and reduce the need to recover revenue from
12 hospitals, the department shall implement system changes to assure
13 that children who are born to mothers who are Medicaid eligible and
14 enrolled in health plans are within 30 days after birth included in
15 the Medicaid eligibility file and enrolled in the same health plan
16 as the mother or any other health plan designated by the mother.

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



1 eligibility under the state's Medicaid program. Health coverage for
2 children in families between 150% and 200% of the federal poverty
3 level shall be provided through a state-based private health care
4 program.

5 (2) The department may provide up to 1 year of continuous
6 eligibility to children eligible for the MIChild program unless the
7 family fails to pay the monthly premium, a child reaches age 19, or
8 the status of the children's family changes and its members no
9 longer meet the eligibility criteria as specified in the federally
10 approved MIChild state plan.

11 (3) Children whose category of eligibility changes between the
12 Medicaid and MIChild programs shall be assured of keeping their
13 current health care providers through the current prescribed course
14 of treatment for up to 1 year, subject to periodic reviews by the
15 department if the beneficiary has a serious medical condition and
16 is undergoing active treatment for that condition.

17 (4) To be eligible for the MIChild program, a child must be
18 residing in a family with an adjusted gross income of less than or
19 equal to 200% of the federal poverty level. The department's
20 verification policy shall be used to determine eligibility.

21 (5) The department shall enter into a contract to obtain
22 MIChild services from any HMO, dental care corporation, or any
23 other entity that offers to provide the managed health care
24 benefits for MIChild services at the MIChild capitated rate. As
25 used in this subsection:

26 (a) "Dental care corporation", "health care corporation",
27 "insurer", and "prudent purchaser agreement" mean those terms as



1 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
2 550.52.

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

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

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

13 Sec. 1671. From the funds appropriated in part 1, the
14 department shall continue a comprehensive approach to the marketing
15 and outreach of the MICHild program. The marketing and outreach
16 required under this section shall be coordinated with current
17 outreach, information dissemination, and marketing efforts and
18 activities conducted by the department.

19 Sec. 1673. (1) The department may establish premiums for
20 MICHild eligible persons in families with income above 150% of the
21 federal poverty level. The monthly premiums shall not exceed \$15.00
22 for a family.

23 (2) The department shall not require copayments under the
24 MICHild program.

25 Sec. 1677. The MICHild program shall provide all benefits
26 available under the state employee insurance plan that are
27 delivered through contracted providers and consistent with federal



1 law, including, but not limited to, the following medically
2 necessary services:

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

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

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

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

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

17 (f) Care management services for mental health diagnoses.

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

20 (h) Emergency ambulance services.

21 Sec. 1680. (1) Payment increases for enhanced wages and new or
22 enhanced employee benefits provided in previous years through the
23 Medicaid nursing home wage pass-through program shall be continued
24 in fiscal year 2005-2006.

25 (2) The department shall not implement any increase or
26 decrease in the Medicaid nursing home wage pass-through program in
27 fiscal year 2004-2005.



1 Sec. 1681. From the funds appropriated in part 1 for home and
2 community-based services, the department and local waiver agents
3 shall encourage the use of family members, friends, and neighbors
4 of home and community-based services participants, where
5 appropriate, to provide homemaker services, meal preparation,
6 transportation, chore services, and other nonmedical covered
7 services to participants in the Medicaid home and community-based
8 services program. This section shall not be construed as allowing
9 for the payment of family members, friends, or neighbors for these
10 services unless explicitly provided for in federal or state law.

11 Sec. 1682. (1) The department shall implement enforcement
12 actions as specified in the nursing facility enforcement provisions
13 of section 1919 of title XIX, 42 USC 1396r.

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

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

21 Sec. 1683. The department shall promote activities that
22 preserve the dignity and rights of terminally ill and chronically
23 ill individuals. Priority shall be given to programs, such as
24 hospice, that focus on individual dignity and quality of care
25 provided persons with terminal illness and programs serving persons
26 with chronic illnesses that reduce the rate of suicide through the
27 advancement of the knowledge and use of improved, appropriate pain



1 management for these persons; and initiatives that train health
2 care practitioners and faculty in managing pain, providing
3 palliative care, and suicide prevention.

4 Sec. 1684. (1) Of the funds appropriated in part 1 for the
5 Medicaid home- and community-based services program, the payment
6 rate allocated for administrative expenses shall be reduced by
7 \$2.00 per person per day.

8 (2) The savings realized from the reduced administrative rate
9 shall be reallocated to increase enrollment in the waiver program
10 and to provide direct services to eligible program participants.

11 (3) The department shall provide a report to the house of
12 representatives and senate appropriations subcommittees on
13 community health and the house of representatives and senate fiscal
14 agencies on the number or nursing home patients discharged who are
15 subsequently enrolled in the Medicaid home- and community-based
16 services waiver program, and the associated cost savings.

17 Sec. 1685. All nursing home rates, class I and class III, must
18 have their respective fiscal year rate set 30 days prior to the
19 beginning of their rate year. Rates may take into account the most
20 recent cost report prepared and certified by the preparer, provider
21 corporate owner or representative as being true and accurate, and
22 filed timely, within 5 months of the fiscal year end in accordance
23 with Medicaid policy. If the audited version of the last report is
24 available, it shall be used. Any rate factors based on the filed
25 cost report may be retroactively adjusted upon completion of the
26 audit of that cost report.

27 Sec. 1686. (1) The department shall submit a report by April



1 30, 2006, to the house of representatives and senate appropriations
2 subcommittees on community health and the house of representatives
3 and senate fiscal agencies on the progress of 3 Medicaid long-term
4 care single point of entry services pilot projects. The department
5 shall also submit a final plan to the house of representatives and
6 senate subcommittees on community health and the house of
7 representatives and senate fiscal agencies 60 days prior to any
8 expansion of the program.

9 (2) As used in this section, "single point of entry" means a
10 system that enables consumers to access Medicaid long-term care
11 services and supports through 1 agency or organization and that
12 promotes consumer education and choice of long-term care options.

13 Sec. 1687. (1) From the funds appropriated in part 1 for long-
14 term care services, the department shall contract with a stand
15 alone psychiatric facility that provides at least 20% of its total
16 care to Medicaid recipients to provide access to Medicaid
17 recipients who require specialized Alzheimer's disease or dementia
18 care.

19 (2) The department shall report to the senate and house
20 appropriations subcommittees on community health and the senate and
21 house fiscal agencies on the effectiveness of the contract required
22 under subsection (1) to improve the quality of services to Medicaid
23 recipients.

24 Sec. 1688. The department shall not impose a limit on per unit
25 reimbursements to service providers that provide personal care or
26 other services under the Medicaid home and community-based waiver
27 program for the elderly and disabled. The department's per day per



1 client reimbursement cap calculated in the aggregate for all
2 services provided under the Medicaid home and community-based
3 waiver is not a violation of this section.

4 Sec. 1689. (1) Priority in enrolling additional persons in the
5 Medicaid home and community-based services program shall be given
6 to those who are currently residing in nursing homes or who are
7 eligible to be admitted to a nursing home if they are not provided
8 home and community-based services. The department shall implement
9 screening and assessment procedures to assure that no additional
10 Medicaid eligible persons are admitted to nursing homes who would
11 be more appropriately served by the Medicaid home and community-
12 based services program. If there is a net decrease in the number of
13 Medicaid nursing home days of care during the most recent quarter
14 in comparison with the previous quarter and a net cost savings
15 attributable to moving individuals from a nursing home to the home
16 and community-based services waiver program, the department shall
17 transfer the net cost savings to the home and community-based
18 services waiver program. If a transfer is required, it shall be
19 done on a quarterly basis.

20 (2) Within 30 days of the end of each fiscal quarter, the
21 department shall provide a report to the senate and house
22 appropriations subcommittees on community health and the senate and
23 house fiscal agencies that details existing and future allocations
24 for the home and community-based waiver program by regions as well
25 as the associated expenditures. The report shall include
26 information regarding the net cost savings from moving individuals
27 from a nursing home to the home and community-based services waiver



1 program and the amount of funds transferred.

2 Sec. 1690. The department may work with the federal government
3 to establish an estate preservation program as recommended by the
4 Michigan Medicaid long-term care task force.

5 Sec. 1692. (1) The department of community health is
6 authorized to pursue reimbursement for eligible services provided
7 in Michigan schools from the federal Medicaid program. The
8 department and the state budget director are authorized to
9 negotiate and enter into agreements, together with the department
10 of education, with local and intermediate school districts
11 regarding the sharing of federal Medicaid services funds received
12 for these services. The department is authorized to receive and
13 disburse funds to participating school districts pursuant to such
14 agreements and state and federal law.

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

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

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

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

25 Sec. 1693. The special adjustor payments appropriation in part
26 1 may be increased if the department submits a medical services
27 state plan amendment pertaining to this line item at a level higher



1 than the appropriation. The department is authorized to
2 appropriately adjust financing sources in accordance with the
3 increased appropriation.

4 Sec. 1694. The department of community health shall distribute
5 \$695,000.00 to children's hospitals that have a high indigent care
6 volume. The amount to be distributed to any given hospital shall be
7 based on a formula determined by the department of community
8 health.

9 Sec. 1697. (1) As may be allowed by federal law or regulation,
10 the department may use funds provided by a local or intermediate
11 school district, which have been obtained from a qualifying health
12 system, as the state match required for receiving federal Medicaid
13 or children health insurance program funds. Any such funds received
14 shall be used only to support new school-based or school-linked
15 health services.

16 (2) A qualifying health system is defined as any health care
17 entity licensed to provide health care services in the state of
18 Michigan, that has entered into a contractual relationship with a
19 local or intermediate school district to provide or manage school-
20 based or school-linked health services.

21 Sec. 1699. The department may make separate payments directly
22 to qualifying hospitals serving a disproportionate share of
23 indigent patients in the amount of \$50,000,000.00, and to hospitals
24 providing graduate medical education training programs. If direct
25 payment for GME and DSH is made to qualifying hospitals for
26 services to Medicaid clients, hospitals will not include GME costs
27 or DSH payments in their contracts with HMOs.



1 Sec. 1700. (1) The department, in consultation with the
2 Michigan association of health plans, shall develop a plan to
3 assure that Medicaid payment rates to HMOs in fiscal year 2005-2006
4 meet the federal requirement for actuarially sound rates. The plan
5 shall include the following strategies as well as other
6 alternatives:

7 (a) Establish or designate centers for transplant excellence.

8 (b) Establish statewide contracts for durable equipment.

9 (c) Decreasing administrative costs.

10 (d) Shifting end stage renal patients to Medicare.

11 (2) A copy of the plan shall be submitted to the house and
12 senate appropriations subcommittees on community health and the
13 house and senate fiscal agencies by May 30, 2006.

14 Sec. 1710. Any proposed changes by the department to the
15 MIChoice home and community-based services waiver program screening
16 process shall be provided to the members of the house and senate
17 appropriations subcommittees on community health prior to
18 implementation of the proposed changes.

19 Sec. 1711. (1) The department shall maintain the 2-tier
20 reimbursement methodology for Medicaid emergency physicians
21 professional services that was in effect on September 30, 2002,
22 subject to the following conditions:

23 (a) Payments by case and in the aggregate shall not exceed 70%
24 of Medicare payment rates.

25 (b) Total expenditures for these services shall not exceed the
26 level of total payments made during fiscal year 2001-2002, after
27 adjusting for Medicare copayments and deductibles and for changes



1 in utilization.

2 (2) To ensure that total expenditures stay within the spending
3 constraints of subsection (1)(b), the department shall develop a
4 utilization adjustor for the basic 2-tier payment methodology. The
5 adjustor shall be based on a good faith estimate by the department
6 as to what the expected utilization of emergency room services will
7 be during fiscal year 2005-2006, given changes in the number and
8 category of Medicaid recipients. If expenditure and utilization
9 data indicate that the amount and/or type of emergency physician
10 professional services are exceeding the department's estimate, the
11 utilization adjustor shall be applied to the 2-tier reimbursement
12 methodology in such a manner as to reduce aggregate expenditures to
13 the fiscal year 2001-2002 adjusted expenditure target.

14 (3) By April 1, 2006, the department shall establish an
15 emergency room observation rate for Medicaid eligibles with a
16 length of stay of not more than 24 hours.

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

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



1 metropolitan statistical area.

2 Sec. 1713. (1) The department, in conjunction with the
3 Michigan dental association, shall undertake a study to determine
4 the level of participation by Michigan licensed dentists in the
5 state's Medicaid program. The study shall identify the distribution
6 of dentists throughout the state, the volume of Medicaid recipients
7 served by each participating dentist, and areas in the state
8 underserved for dental services.

9 (2) The study described in subsection (1) shall also include
10 an assessment of what factors may be related to the apparent low
11 participation by dentists in the Medicaid program, and the study
12 shall make recommendations as to how these barriers to
13 participation may be reduced or eliminated.

14 (3) This study shall be provided to the senate and house
15 appropriations subcommittees on community health and the senate and
16 house fiscal agencies no later than April 1, 2006.

17 Sec. 1716. The department shall seek to maintain a constant
18 enrollment level within the Medicaid adult benefits waiver program
19 throughout fiscal year 2005-2006.

20 Sec. 1717. (1) The department shall create 2 pools for
21 distribution of disproportionate share hospital funding. The first
22 pool, totaling \$45,000,000.00, shall be distributed using the
23 distribution methodology used in fiscal year 2003-2004. The second
24 pool, totaling \$5,000,000.00, shall be distributed to unaffiliated
25 hospitals and hospital systems that received less than \$900,000.00
26 in disproportionate share hospital payments in fiscal year 2003-
27 2004 based on a formula that is weighted proportional to the



1 product of each eligible system's Medicaid revenue and each
2 eligible system's Medicaid utilization.

3 (2) By November 1, 2005, the department shall report to the
4 senate and house appropriations subcommittees on community health
5 and the senate and house fiscal agencies on the new distribution of
6 funding to each eligible hospital from the 2 pools.

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

19 Sec. 1720. The department shall continue its Medicare recovery
20 program.

21 Sec. 1721. The department shall conduct a review of Medicaid
22 eligibility pertaining to funds prepaid to a nursing home or other
23 health care facility that are subsequently returned to an
24 individual who becomes Medicaid eligible and shall report its
25 findings to the members of the house and senate appropriations
26 subcommittees on community health and the house and senate fiscal
27 agencies not later than May 15, 2006. Included in its report shall



1 be recommendations for policy and procedure changes regarding
2 whether any funds prepaid to a nursing home or other health care
3 facility that are subsequently returned to an individual, after the
4 date of Medicaid eligibility and patient pay amount determination,
5 shall be considered as a countable asset and recommendations for a
6 mechanism for departmental monitoring of those funds.

7 Sec. 1722. (1) From the funds appropriated in part 1 for
8 special adjustor and special DSH payments, the department is
9 authorized to make a disproportionate share payment of
10 \$33,167,700.00 for health services provided by Hutzel Hospital,
11 \$17,903,200.00 for health services previously funded through the
12 higher education appropriations act, and \$2,310,000.00 for the
13 Michigan State University institute for health care studies.

14 (2) The funding authorized under subsection (1) shall only be
15 expended if the necessary Medicaid matching funds are provided by,
16 or on behalf of, the hospital as allowable state match.

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

24 Sec. 1725. The department shall work with the department of
25 human services to implement a plan to reduce Medicaid eligibility
26 errors related to basic eligibility requirements and income
27 requirements. The department shall submit the plan to the house and



1 senate appropriations subcommittees on community health, the house
2 and senate fiscal agencies, and the state budget director by March
3 15, 2006.

4 Sec. 1726. Any clinical laboratory performing a creatinine
5 test on a Medicaid client shall report the glomerular filtration
6 rate (eGFR) of the patient and shall report it as a percent of
7 kidney function remaining.

8 Sec. 1728. The department shall make available to qualifying
9 Medicaid recipients, not based on Medicare guidelines,
10 freestanding, electric, lifting, and transferring devices.

11 Sec. 1729. The legislature shall establish a bipartisan joint
12 committee comprised of members of each house of the legislature and
13 representatives of the department of community health. The
14 bipartisan joint committee shall identify cost reduction measures
15 for the state Medicaid program including, but not limited to,
16 additional means or methods of identifying and prohibiting Medicaid
17 fraud and increasing Medicaid estate recovery and savings by
18 utilizing enhanced information technology. The bipartisan joint
19 committee shall attempt to identify, at a minimum, \$40,000,000.00
20 of potential savings for the state Medicaid program.

21 Sec. 1730. The funding in part 1 to restore 1/4 of the 4%
22 reduction in Medicaid provider reimbursement rates for hospital
23 services, physician services, pharmaceutical services, home health
24 services, auxiliary medical services, and nursing home services is
25 contingent upon federal approval of the state's proposal to
26 establish a case rate for inpatient hospital services provided to
27 parents and caretaker relatives who are not required to be covered



1 under federal Medicaid requirements.

2 Sec. 1731. (1) Subject to subsection (2), the department shall
3 establish an asset test to determine Medicaid eligibility for
4 individuals who are parents, caretaker relatives, or individuals
5 between the ages of 18 and 21 and who are not required to be
6 covered under federal Medicaid requirements.

7 (2) Regardless of the results of the asset test established
8 under subsection (1), an individual who is between the ages of 18
9 and 21 and is not required to be covered under the federal Medicaid
10 requirements is not eligible for the state Medicaid program if his
11 or her parent, parents, or legal guardian has health care coverage
12 for him or her or has access to health care coverage for him or
13 her.

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

19

PART 2A

20

PROVISIONS CONCERNING APPROPRIATIONS

21

GENERAL SECTIONS

22

23 Sec. 2001. Pursuant to section 30 of article IX of the state
24 constitution of 1963, total state spending from state resources
25 under part 1A for fiscal year 2004-2005 is \$8,161,100.00. State
payments to local units of government under part 1A are \$0.



1 Sec. 2002. (1) The appropriations authorized under this
2 article are subject to the management and budget act, 1984 PA 431,
3 MCL 18.1101 to 18.1594.

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

6 ARTICLE 4

7 DEPARTMENT OF CORRECTIONS

8 PART 1

9 LINE-ITEM APPROPRIATIONS

10 Sec. 101. Subject to the conditions set forth in this article,
11 the amounts listed in this part are appropriated for the department
12 of corrections for the fiscal year ending September 30, 2006, from
13 the funds indicated in this part. The following is a summary of the
14 appropriations in this part:

15 **DEPARTMENT OF CORRECTIONS**

16 APPROPRIATION SUMMARY:

17	Average population.....	51,425	
18	Full-time equated unclassified positions.....	16.0	
19	Full-time equated classified positions.....	17,510.2	
20	GROSS APPROPRIATION.....		\$ 1,878,447,100
21	Interdepartmental grant revenues:		
22	Total interdepartmental grants and intradepartmental		
23	transfers.....		1,043,800
24	ADJUSTED GROSS APPROPRIATION.....		\$ 1,877,403,300
25	Federal revenues:		



1	Total federal revenues	11,410,200
2	Special revenue funds:	
3	Total local revenues	411,700
4	Total private revenues	0
5	Total other state restricted revenues	66,590,000
6	State general fund/general purpose	\$ 1,798,991,400
7	Sec. 102. EXECUTIVE (SAFETY)	
8	Full-time equated unclassified positions 16.0	
9	Full-time equated classified positions 227.2	
10	Unclassified positions--16.0 FTE positions	\$ 1,368,800
11	Executive direction--32.0 FTE positions	3,710,800
12	Policy and strategic planning--26.0 FTE positions	5,499,200
13	Prisoner reintegration programs--4.0 FTE positions ...	12,878,700
14	Human resources--165.2 FTE positions	14,209,800
15	Human resources optimization user charges	1,299,200
16	Training	3,577,300
17	Worker's compensation	18,899,000
18	Grant to legislative council	500,000
19	Sheriffs' coordinating and training office	<u>2,000,000</u>
20	GROSS APPROPRIATION	\$ 63,942,800
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDG-MDSP, Michigan justice training fund	523,800
24	Federal revenues:	
25	DOJ, prisoner reintegration	1,035,000
26	Special revenue funds:	
27	Local corrections officer training fund	2,000,000



1	State general fund/general purpose	\$	60,384,000
2	Sec. 103. ADMINISTRATION AND PROGRAMS (SAFETY)		
3	Average population.....		480
4	Full-time equated classified positions		291.9
5	Administrative services--70.9 FTE positions	\$	6,412,400
6	Substance abuse testing and treatment		18,220,900
7	Inmate legal services		314,900
8	Prison industries operations--220.0 FTE positions		18,658,700
9	Rent		2,095,200
10	Equipment and special maintenance		2,054,000
11	Compensatory buyout and union leave bank		275,000
12	Michigan youth correctional facility - lease and		
13	management contracts--1.0 FTE positions		17,840,700
14	Average population.....		480
15	Prosecutorial and detainer expenses		<u>4,051,000</u>
16	GROSS APPROPRIATION	\$	69,922,800
17	Appropriated from:		
18	Federal revenues:		
19	DOJ, office of justice programs, RSAT		1,093,400
20	DOJ, office of justice programs, Byrne grants		729,400
21	Special revenue funds:		
22	Correctional industries revolving fund		18,758,700
23	State general fund/general purpose	\$	49,341,300
24	Sec. 104. FIELD OPERATIONS ADMINISTRATION (SAFETY)		
25	Average population.....		310
26	Full-time equated classified positions		1,976.4
27	Field operations--1,796.1 FTE positions	\$	138,549,100



1	Parole and probation special operations program	500,000
2	Parole board operations--27.0 FTE positions	2,430,200
3	Loans to parolees	294,400
4	Parole/probation services	2,867,300
5	Corrections centers--48.0 FTE positions	5,440,300
6	Average population..... 310	
7	Electronic monitoring center--36.0 FTE positions	4,637,500
8	Technical rule violator program--69.3 FTE positions ..	<u>8,690,700</u>
9	GROSS APPROPRIATION	\$ 163,409,500
10	Appropriated from:	
11	Special revenue funds:	
12	Local - community tether program reimbursement	411,700
13	Parole and probation oversight fees	9,905,100
14	Tether program, participant contributions	5,530,800
15	Parole and probation oversight fees set-aside	2,867,300
16	Corrections centers, resident contributions revenue ..	374,300
17	Technical rule violator program, public works user	
18	fees.....	182,100
19	Telephone fees and commissions	902,600
20	State general fund/general purpose	\$ 143,235,600
21	Sec. 105. COMMUNITY CORRECTIONS (SAFETY)	
22	Full-time equated classified positions	17.0
23	Community corrections administration--17.0 FTE	
24	positions.....	\$ 1,662,800
25	Residential services	16,925,500
26	Community corrections comprehensive plans and services	12,533,000
27	Public education and training	50,000



1	Regional jail program	100
2	Alternatives to prison jail program	1,619,600
3	Alternatives to prison treatment program	400,000
4	Felony drunk driver jail reduction and community	
5	treatment program.....	2,097,400
6	County jail reimbursement program	<u>13,249,000</u>
7	GROSS APPROPRIATION	\$ 48,537,400
8	Appropriated from:	
9	Special revenue funds:	
10	Telephone fees and commissions	12,289,500
11	Civil infraction fees	7,000,000
12	Parole and probation oversight fees set-aside	400,000
13	State general fund/general purpose	\$ 28,847,900
14	Sec. 106. CONSENT DECREES (SAFETY)	
15	Average population.....	200
16	Full-time equated classified positions	471.3
17	Hadix consent decree--138.0 FTE positions	\$ 9,997,700
18	DOJ, consent decree--106.8 FTE positions	9,014,800
19	DOJ, psychiatric plan - MDCH mental health services ..	71,327,600
20	DOJ, psychiatric plan - MDOC staff and	
21	services--226.5 FTE positions.....	<u>15,869,400</u>
22	GROSS APPROPRIATION	\$ 106,209,500
23	Appropriated from:	
24	State general fund/general purpose	\$ 106,209,500
25	Sec. 107. HEALTH CARE (SAFETY)	
26	Full-time equated classified positions	930.6
27	Health care administration--21.0 FTE positions	\$ 2,272,300



1	Hospital and specialty care services	58,409,100
2	Vaccination program	691,200
3	Northern region clinical complexes--242.4 FTE	
4	positions.....	26,894,700
5	Southeastern region clinical complexes--362.8 FTE	
6	positions.....	49,354,500
7	Southwestern region clinical complexes--304.4 FTE	
8	positions.....	<u>33,596,500</u>
9	GROSS APPROPRIATION	\$ 171,218,300
10	Appropriated from:	
11	Special revenue funds:	
12	Prisoner health care copayments	331,400
13	State general fund/general purpose	\$ 170,886,900
14	Sec. 108. CORRECTIONAL FACILITIES ADMINISTRATION	
15	(SAFETY)	
16	Average population.....	1,382
17	Full-time equated classified positions.....	886.2
18	Correctional facilities administration--44.0 FTE	
19	positions.....	\$ 5,863,300
20	Housing inmates in federal institutions	552,600
21	Education services and federal education	
22	grants--10.0 FTE positions.....	5,671,300
23	Federal school lunch program	712,800
24	Leased beds and alternatives to leased beds	100
25	Inmate housing fund--421.7 FTE positions	40,280,200
26	Average population.....	1,382
27	Academic/vocational programs--410.5 FTE positions	33,860,700



1	Supplementary operational expenditures	<u>17,840,700</u>
2	GROSS APPROPRIATION	\$ 104,781,700
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG-MDCH, forensic center food service	520,000
6	Federal revenues:	
7	DOJ - BOP, federal prisoner reimbursement	372,600
8	DED - OESE, title I	517,700
9	DED - OVAE, adult education	1,877,800
10	DED, adult literacy grants	305,900
11	DED - OSERS	100,400
12	DED, vocational education equipment	275,200
13	DED, youthful offender/Specter grant	1,279,400
14	DOJ - OJP, serious and violent offender	
15	reintegration initiative	1,010,000
16	DAG - FNS, national school lunch	712,800
17	SSA - SSI, incentive payment	115,100
18	Federal prison rape grant	1,000,000
19	Special revenue funds:	
20	Public works user fees	73,200
21	Resident stores	127,700
22	State general fund/general purpose	\$ 96,493,900
23	Sec. 109. NORTHERN REGION CORRECTIONAL FACILITIES	
24	(SAFETY)	
25	Average population	14,966
26	Full-time equated classified positions	4,170.2
27	Alger maximum correctional facility -	



1	Munising--343.0 FTE positions.....	\$	30,266,300
2	Average population.....		849
3	Baraga maximum correctional facility - Baraga--405.5		
4	FTE positions.....		34,969,000
5	Average population.....		1,084
6	Chippewa correctional facility - Kincheloe--510.3		
7	FTE positions.....		44,492,500
8	Average population.....		2,122
9	Kinross correctional facility - Kincheloe--581.3 FTE		
10	positions.....		53,520,400
11	Average population.....		2,719
12	Marquette branch prison - Marquette--374.8 FTE		
13	positions.....		34,643,900
14	Average population.....		1,070
15	Newberry correctional facility - Newberry--345.4 FTE		
16	positions.....		29,183,300
17	Average population.....		1,144
18	Oaks correctional facility - Eastlake--349.5 FTE		
19	positions.....		32,515,600
20	Average population.....		1,156
21	Ojibway correctional facility - Marenisco--281.2 FTE		
22	positions.....		24,011,300
23	Average population.....		1,282
24	Pugsley correctional facility - Kingsley--220.4 FTE		
25	positions.....		18,338,800
26	Average population.....		954
27	Saginaw correctional facility - Freeland--356.0 FTE		



1	positions.....		31,942,300
2	Average population.....	1,480	
3	Standish maximum correctional facility -		
4	Standish--402.8 FTE positions.....		<u>36,368,000</u>
5	Average population.....	1,106	
6	GROSS APPROPRIATION.....		\$ 370,251,400
7	Appropriated from:		
8	Special revenue funds:		
9	Public works user fees.....		497,200
10	Resident stores.....		1,167,600
11	State general fund/general purpose.....		\$ 368,586,600
12	Sec. 110. SOUTHEASTERN REGION CORRECTIONAL		
13	FACILITIES (SAFETY)		
14	Average population.....	15,733	
15	Full-time equated classified positions.....	4,194.9	
16	Cooper Street correctional facility - Jackson--267.8		
17	FTE positions.....		\$ 24,599,500
18	Average population.....	1,360	
19	G. Robert Cotton correctional facility -		
20	Jackson--429.3 FTE positions.....		37,807,200
21	Average population.....	1,854	
22	Charles E. Egeler correctional facility -		
23	Jackson--530.4 FTE positions.....		50,354,900
24	Average population.....	1,591	
25	Gus Harrison correctional facility - Adrian--515.8		
26	FTE positions.....		45,702,800
27	Average population.....	2,262	



1	Macomb correctional facility - New Haven--321.5 FTE	
2	positions.....	27,668,400
3	Average population..... 1,228	
4	Mound correctional facility - Detroit--284.8 FTE	
5	positions.....	24,522,600
6	Average population..... 1,051	
7	Parnall correctional facility - Jackson--264.4 FTE	
8	positions.....	23,765,000
9	Average population..... 1,348	
10	Ryan correctional facility - Detroit--309.8 FTE	
11	positions.....	27,352,200
12	Average population..... 1,059	
13	Robert Scott correctional facility - Plymouth--332.5	
14	FTE positions.....	28,327,800
15	Average population..... 880	
16	Southern Michigan correctional facility -	
17	Jackson--418.8 FTE positions.....	35,484,800
18	Average population..... 1,481	
19	Thumb correctional facility - Lapeer--313.8 FTE	
20	positions.....	27,804,900
21	Average population..... 1,219	
22	Special alternative incarceration program - Cassidy	
23	Lake--126.0 FTE positions.....	10,785,900
24	Average population..... 400	
25	Jackson area support and services - Jackson--80.0	
26	FTE positions.....	<u>13,587,900</u>
27	GROSS APPROPRIATION.....	\$ 377,763,900



1	Appropriated from:	
2	Intradepartmental transfer revenues:	
3	Federal revenues:	
4	DOJ, state criminal alien assistance program	985,500
5	Special revenue funds:	
6	Public works user fees	365,400
7	Resident stores	1,403,900
8	State general fund/general purpose	\$ 375,009,100
9	Sec. 111. SOUTHWESTERN REGION CORRECTIONAL	
10	FACILITIES (SAFETY)	
11	Average population.....	18,354
12	Full-time equated classified positions	4,344.5
13	Bellamy Creek correctional facility - Ionia--472.1	
14	FTE positions.....	\$ 43,074,500
15	Average population.....	1,830
16	Earnest C. Brooks correctional facility -	
17	Muskegon--478.9 FTE positions.....	43,002,100
18	Average population.....	2,200
19	Carson City correctional facility - Carson	
20	City--502.6 FTE positions.....	44,686,300
21	Average population.....	2,200
22	Richard A. Handlon correctional facility -	
23	Ionia--256.2 FTE positions.....	23,344,900
24	Average population.....	1,320
25	Ionia maximum correctional facility - Ionia--323.8	
26	FTE positions.....	27,894,400
27	Average population.....	667



1	Lakeland correctional facility - Coldwater--689.3	
2	FTE positions.....	61,811,400
3	Average population..... 2,992	
4	Muskegon correctional facility - Muskegon--254.4 FTE	
5	positions.....	24,229,800
6	Average population..... 1,310	
7	Pine River correctional facility - St. Louis--231.6	
8	FTE positions.....	20,097,800
9	Average population..... 1,120	
10	Riverside correctional facility - Ionia--519.8 FTE	
11	positions.....	47,338,100
12	Average population..... 2,331	
13	St. Louis correctional facility - St. Louis--615.8	
14	FTE positions.....	<u>52,854,500</u>
15	Average population..... 2,384	
16	GROSS APPROPRIATION.....	\$ 388,333,800
17	Appropriated from:	
18	Special revenue funds:	
19	Public works user fees.....	240,300
20	Resident stores.....	1,638,200
21	State general fund/general purpose.....	\$ 386,455,300
22	Sec. 112. INFORMATION TECHNOLOGY (SAFETY)	
23	Information technology services and projects.....	\$ <u>14,076,000</u>
24	GROSS APPROPRIATION.....	\$ 14,076,000
25	Appropriated from:	
26	Special revenue funds:	
27	Correctional industries revolving fund.....	11,200



1	Parole and probation oversight fees set-aside		523,500
2	State general fund/general purpose	\$	13,541,300

3 PART 2

4 PROVISIONS CONCERNING APPROPRIATIONS

5 GENERAL SECTIONS

6 Sec. 201. Pursuant to section 30 of article IX of the state
 7 constitution of 1963, total state spending from state resources
 8 under part 1 for fiscal year 2005-2006 is \$1,865,581,400.00 and
 9 state spending from state resources to be paid to local units of
 10 government for fiscal year 2005-2006 is \$87,830,400.00. The
 11 itemized statement below identifies appropriations from which
 12 spending to local units of government will occur:

13 DEPARTMENT OF CORRECTIONS

14	Field operations - assumption of county probation		
15	staff	\$	43,561,000
16	Public service work projects		10,643,800
17	Community corrections comprehensive plans and services		12,533,000
18	Community corrections residential services		16,925,500
19	Community corrections public education and training ..		50,000
20	Felony drunk driver jail reduction and community		
21	treatment program		2,097,400
22	Alternatives to prison jail program		1,619,600
23	Alternatives to prison treatment program		400,000
24	Regional jail program		<u>100</u>
25	TOTAL	\$	87,830,400



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

4 Sec. 203. As used in this article:

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

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

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

8 (d) "DED-OESE" means the DED office of elementary and
9 secondary education.

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

12 (f) "DED-OVAE" means the DED office of vocational and adult
13 education.

14 (g) "Department" or "MDOC" means the Michigan department of
15 corrections.

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

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

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

19 (k) "FTE" means full-time equated.

20 (l) "IDG" means interdepartmental grant.

21 (m) "IDT" means intradepartmental transfer.

22 (n) "MDCH" means the Michigan department of community health.

23 (o) "MDSP" means the Michigan department of state police.

24 (p) "MPRI" means the Michigan prisoner reentry initiative.

25 (q) "OCC" means the office of community corrections.

26 (r) "SSA" means the United States social security
27 administration.



1 (s) "SSA-SSI" means SSA supplemental security income.

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

7 Sec. 205. (1) A hiring freeze is imposed on the state
8 classified civil service. State departments and agencies are
9 prohibited from hiring any new full-time state classified civil
10 service employees and prohibited from filling any vacant state
11 classified civil service positions. This hiring freeze does not
12 apply to internal transfers of classified employees from 1 position
13 to another within a department.

14 (2) The state budget director may grant exceptions to the
15 hiring freeze imposed under subsection (1) when the state budget
16 director believes that the hiring freeze will result in rendering a
17 state department or agency unable to deliver basic services, cause
18 loss of revenue to the state, result in the inability of the state
19 to receive federal funds, or necessitate additional expenditures
20 that exceed any savings from maintaining a vacancy. The state
21 budget director shall report quarterly to the chairpersons of the
22 senate and house of representatives standing committees on
23 appropriations the number of exceptions to the hiring freeze
24 approved during the previous quarter and the reasons to justify the
25 exception.

26 Sec. 206. The department shall not take disciplinary action
27 against an employee for communicating with a member of the



1 legislature or his or her staff.

2 Sec. 207. At least 120 days before beginning any effort to
3 privatize, the department shall submit a complete project plan to
4 the appropriate senate and house of representatives appropriations
5 subcommittees and the senate and house fiscal agencies. The plan
6 shall include the criteria under which the privatization initiative
7 will be evaluated. The evaluation shall be completed and submitted
8 to the appropriate senate and house of representatives
9 appropriations subcommittees and the senate and house fiscal
10 agencies within 30 months.

11 Sec. 208. Unless otherwise specified, the department shall use
12 the Internet to fulfill the reporting requirements of this article.
13 This requirement may include transmission of reports via electronic
14 mail to the recipients identified for each reporting requirement or
15 it may include placement of reports on an Internet or Intranet
16 site.

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

24 Sec. 211. (1) Pursuant to the provisions of civil service
25 rules and regulations and applicable collective bargaining
26 agreements, individuals seeking employment with the department
27 shall submit to a controlled substance test. The test shall be



1 administered by the department.

2 (2) Individuals seeking employment with the department who
3 refuse to take a controlled substance test or who test positive for
4 the illicit use of a controlled substance on such a test shall be
5 denied employment.

6 Sec. 212. The department may charge fees and collect revenues
7 in excess of appropriations in part 1 not to exceed the cost of
8 offender services and programming, employee meals, parolee loans,
9 academic/vocational services, custody escorts, compassionate
10 visits, union steward activities, public work programs, and
11 services provided to units of government. The revenues and fees
12 collected shall be appropriated for all expenses associated with
13 these services and activities.

14 Sec. 214. Preference should be given to purchasing produce
15 from Michigan growers and processors when their produce is
16 competitively priced and of comparable quality.

17 Sec. 216. By February 15, 2006, the department shall provide
18 the members of the senate and house appropriations subcommittees on
19 corrections, the senate and house fiscal agencies, and the state
20 budget director with a report detailing nongeneral fund/general
21 purpose sources of revenue, including, but not limited to, federal
22 revenues, state restricted revenues, local and private revenues,
23 offender reimbursements and other payments, revolving funds, and 1-
24 time sources of revenue, whether or not such revenues were
25 appropriated. The report shall include statements detailing for
26 each account the total amount of revenue received during fiscal
27 year 2004-2005, the amount by which the revenue exceeded any



1 applicable appropriated fund source, the amount spent during fiscal
2 year 2004-2005, the account balance at the close of fiscal year
3 2004-2005, and the projected revenues and expenditures for fiscal
4 year 2005-2006.

5 Sec. 217. From the funds appropriated in part 1 for
6 information technology, the department shall pay user fees to the
7 department of information technology for technology-related
8 services and projects. The user fees are subject to provisions of
9 an interagency agreement between the departments and agencies and
10 the department of information technology.

11 Sec. 218. Amounts appropriated in part 1 for information
12 technology may be designated as work projects and carried forward
13 to support department of corrections technology projects under the
14 direction of the department of information technology. Funds
15 designated in this manner are not available for expenditure until
16 approved as work projects under section 451a of the management and
17 budget act, 1984 PA 431, MCL 18.1451a.

18 Sec. 221. (1) Due to the current budgetary problems in this
19 state, out-of-state travel for the fiscal year ending September 30,
20 2006 is limited to situations in which 1 or more of the following
21 conditions apply:

22 (a) The travel is required by legal mandate or court order or
23 for law enforcement purposes.

24 (b) The travel is necessary to protect the health, safety, or
25 health and safety of Michigan citizens or visitors or to assist
26 other states in similar circumstances.

27 (c) The travel is necessary to produce budgetary savings or to



1 increase state revenues, or both, including protecting existing
2 federal funds or securing additional federal funds.

3 (d) The travel is necessary to comply with federal
4 requirements.

5 (e) The travel is necessary to secure specialized training for
6 staff that is not available within this state.

7 (f) The travel is financed entirely by federal or nonstate
8 funds.

9 (2) If out-of-state travel is necessary but does not meet 1 or
10 more of the conditions listed in subsection (1), the state budget
11 director may grant an exception to allow the travel. Any exceptions
12 granted by the state budget director shall be reported on a monthly
13 basis to the senate and house standing committees on
14 appropriations.

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

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

26 (b) The destination of each travel occurrence.

27 (c) The dates of each travel occurrence.



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

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

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

10 **EXECUTIVE**

11 Sec. 401. The department shall submit 3-year and 5-year prison
12 population projection updates by February 1, 2006 to the senate and
13 house appropriations subcommittees on corrections, the senate and
14 house fiscal agencies, and the state budget director. The report
15 shall include explanations of the methodology and assumptions used
16 in developing the projection updates.

17 Sec. 402. The department shall prepare by April 1, 2006
18 individual reports for the technical rule violator program, the
19 community residential program, the electronic tether program, and
20 the special alternative to incarceration program. The reports shall
21 be submitted to the house and senate appropriations subcommittees
22 on corrections, the house and senate fiscal agencies, and the state
23 budget director. Each program's report shall include information on
24 all of the following:

25 (a) Monthly new participants.

26 (b) Monthly participant unsuccessful terminations, including



1 cause.

2 (c) Number of successful terminations.

3 (d) End month population by facility/program.

4 (e) Average length of placement.

5 (f) Return to prison statistics.

6 (g) Description of each program location or locations,
7 capacity, and staffing.

8 (h) Sentencing guideline scores and actual sentence statistics
9 for participants, if applicable.

10 (i) Comparison with prior year statistics.

11 (j) Analysis of the impact on prison admissions and jail
12 utilization and the cost effectiveness of the program.

13 Sec. 404. The department shall report to the senate and house
14 appropriations subcommittees on corrections, the senate and house
15 fiscal agencies, and the state budget director by April 1, 2006 on
16 the ratio of correctional officers to prisoners for each
17 correctional institution, the ratio of shift command staff to line
18 custody staff, and the ratio of noncustody institutional staff to
19 prisoners for each correctional institution.

20 Sec. 405. (1) The department shall review and revise as
21 necessary policy proposals that provide alternatives to prison for
22 offenders being sentenced to prison as a result of technical
23 probation violations and technical parole violations. To the extent
24 the department has insufficient policies or resources to affect the
25 continued increase in prison commitments among these offender
26 populations, the department shall explore other policy options to
27 allow for program alternatives, including department or OCC-funded



1 programs, local level programs, and programs available through
2 private agencies that may be used as prison alternatives for these
3 offenders.

4 (2) To the extent policies or programs described in subsection
5 (1) are used, developed, or contracted for, the department may
6 request that funds appropriated in part 1 be transferred under
7 section 393(2) of the management and budget act, 1984 PA 431, MCL
8 18.1393, for their operation.

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

17 (4) By May 1, 2006, the department shall report to the senate
18 and house appropriations subcommittees on corrections, the senate
19 and house fiscal agencies, and the state budget director on the
20 number of all parolees returned to prison and probationers
21 sentenced to prison for either a technical violation or new
22 sentence from October 1, 2005 through March 30, 2006. After May 1,
23 2006, the department shall provide monthly reports. The reports
24 shall include the following information each for probationers,
25 parolees after their first parole, and parolees who have been
26 paroled more than once:

27 (a) The number of offenders returned for a new crime with a



1 comparison of original versus new offenses by major offense type:
2 assaultive, nonassaultive, drug, and sex.

3 (b) The number of offenders returned for a technical violation
4 and the type of violation, including, but not limited to, zero gun
5 tolerance and substance abuse violations.

6 (c) The educational history of those offenders, including how
7 many had a G.E.D. or high school diploma prior to incarceration in
8 prison, how many received a G.E.D. while in prison, and how many
9 received a vocational certificate while in prison.

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

12 Sec. 406. Funds included in part 1 for the sheriffs'
13 coordinating and training office are appropriated for and may be
14 expended to defray costs of continuing education, certification,
15 recertification, decertification, and training of local corrections
16 officers, the personnel and administrative costs of the sheriffs'
17 coordinating and training office, the local corrections officers
18 advisory board, and the sheriffs' coordinating and training council
19 under the local corrections officers training act, 2003 PA 125, MCL
20 791.531 to 791.546.

21 Sec. 407. (1) From the funds appropriated in part 1 of this
22 article for prisoner reintegration programs, the department shall
23 continue to develop and maintain reentry programs at Cooper Street
24 correctional facility, the Huron Valley complex, and Macomb
25 correctional facility.

26 (2) By April 1, 2006, the department shall provide a report on
27 prisoner reintegration programs to the members of the senate and



1 house appropriations subcommittees on corrections, the senate and
2 house fiscal agencies, and the state budget director. At a minimum,
3 the report shall include all of the following information:

4 (a) Allocations and projected expenditures for each project
5 funded and for each project to be funded, itemized by service to be
6 provided and service provider.

7 (b) An explanation of the objectives and results measures for
8 each program.

9 (c) An explanation of how the programs will be evaluated.

10 (d) A discussion of the evidence and research upon which each
11 program is based.

12 (e) A discussion and estimate of the impact of prisoner
13 reintegration programs on reoffending and returns to prison.

14 (f) A progress report on applicable results of each program,
15 including but not limited to the estimated bed space impact of
16 prisoner reintegration programs.

17 (3) The department shall provide monthly reports to the senate
18 and house appropriations subcommittees on corrections, the senate
19 and house fiscal agencies, and the state budget director on the
20 status and recidivism levels of offenders who participated in the
21 MPRI and have been released. The data should be broken out by the
22 following 4 offender types: drug, nonassaultive, assaultive, and
23 sex.

24 (4) By September 30, 2006, the department shall report to the
25 senate and house appropriations subcommittees on corrections, the
26 senate and house fiscal agencies, and the state budget director a
27 comparison of the overall recidivism rates and length of time prior



1 to prison return of offenders who participated in the MPRI with
2 those of offenders who did not. The report should disaggregate the
3 information by each pilot site in order to compare the practices
4 and success rates of each pilot.

5 (5) If practicable, the department shall include prisoners
6 nearing their maximum sentence in the prison phases of the MPRI.

7 Sec. 408. From the funds appropriated in part 1, the department
8 shall maintain and make publicly accessible the files of all felony
9 offenders even after an offender is no longer under the
10 department's jurisdiction on the offender tracking information
11 system in the same manner as files of current offenders.

12 Sec. 409. By March 1, 2006, the department shall report to the
13 senate and house subcommittees on corrections, the senate and house
14 fiscal agencies, and the state budget director on offenders who
15 have served their maximum sentence and been released from prison in
16 the last 5 years. The report shall include the following
17 information:

18 (a) The number of offenders who were paroled and returned to
19 prison prior to serving their maximum sentence compared to the
20 number of offenders who served their maximum sentence without ever
21 having been paroled.

22 (b) The number of offenders disaggregated by major offense type:
23 assaultive, nonassaultive, drug, and sex.

24 (c) The educational history of those offenders, including how
25 may had a G.E.D. or high school diploma prior to incarceration in
26 prison, how many received a G.E.D. while in prison, and how many
27 received a vocational certificate while in prison.



1 (d) A comparison of each offender's original offense to the
2 offender's new offense by major offense type: assaultive,
3 nonassaultive, drug, and sex, for offenders who have since returned
4 to prison with a new commitment after previously serving a maximum
5 sentence.

6 Sec. 410. By January 1, 2006, the department shall report to
7 the senate and house appropriations subcommittees on corrections,
8 the senate and house fiscal agencies, and the state budget director
9 on the potential for expansion of Michigan state industries
10 clothing textile manufacturing and sales in the private market of
11 clothing textiles not currently being manufactured in Michigan.

12 Sec. 411. As a condition of expending funds appropriated for
13 policy and strategic planning and prisoner reintegration programs
14 under section 102 of this article, the department shall by January
15 31, 2006 and each January 31 thereafter provide a plan to reduce
16 recidivism rates among prisoners released from correctional
17 facilities to the members of the senate and house appropriations
18 committees, the senate and house fiscal agencies, and the state
19 budget director. The plan shall include detailed information on
20 recidivism rates in this state for the most recent 5-year period, a
21 detailed comparison of those rates to rates in other states and a
22 national average, and details on how the department plans to
23 improve recidivism rates. The plan also shall include details on
24 how the department proposes to measure the success of the plan.

25 **ADMINISTRATION AND PROGRAMS**

26 Sec. 501. From the funds appropriated in part 1 for



1 prosecutorial and detainer expenses, the department shall reimburse
2 counties for housing and custody of parole violators and offenders
3 being returned by the department from community placement who are
4 available for return to institutional status and for prisoners who
5 volunteer for placement in a county jail.

6 Sec. 502. (1) The department shall screen and assess each
7 prisoner for alcohol and other drug involvement to determine the
8 need for further treatment. The assessment process shall be
9 designed to identify the severity of alcohol and other drug
10 addiction and determine the treatment plan, if appropriate.

11 (2) Subject to the availability of funding resources, the
12 department shall provide substance abuse treatment to prisoners
13 with priority given to those prisoners who are most in need of
14 treatment and who can best benefit from program intervention based
15 on the screening and assessment provided under subsection (1).

16 Sec. 503. (1) In expending residential substance abuse
17 treatment services funds appropriated under this article, the
18 department shall ensure to the maximum extent possible that
19 residential substance abuse treatment services are available
20 statewide.

21 (2) By April 1, 2006, the department shall report to the
22 senate and house appropriations subcommittees on corrections, the
23 senate and house fiscal agencies, and the state budget director on
24 the allocation, distribution, and expenditure of all funds
25 appropriated by the substance abuse testing and treatment line item
26 during fiscal year 2004-2005 and projected for fiscal year 2005-
27 2006. The report shall include, but not be limited to, an



1 explanation of an anticipated year-end balance, the number of
2 participants in substance abuse programs, and the number of
3 offenders on waiting lists for residential substance abuse
4 programs. Information required under this subsection shall, where
5 possible, be separated by MDOC administrative region and by
6 offender type, including, but not limited to, a distinction between
7 prisoners, parolees, and probationers.

8 (3) By April 1, 2006, the department shall report to the
9 senate and house appropriations subcommittees on corrections, the
10 senate and house fiscal agencies, and the state budget director on
11 substance abuse testing and treatment program objectives, outcome
12 measures, and results, including program impact on offender
13 behavior and recidivism.

14 Sec. 504. The department shall cooperate with the department
15 of community health in providing information for and developing the
16 report required under section 425 of article 3. The report shall,
17 by April 1, 2006, provide the following data concerning mental
18 health and substance abuse services during fiscal year 2004-2005:

19 (a) The number of prisoners receiving substance abuse
20 services, including a description and breakdown of the type of
21 substance abuse services provided to prisoners.

22 (b) The number of prisoners with a primary diagnosis of mental
23 illness and the number of those prisoners receiving mental health
24 services, including a description and breakdown, encompassing, at a
25 minimum, the categories of inpatient, residential, and outpatient
26 care, of the type of mental health services provided to those
27 prisoners.



1 (c) The number of prisoners with a primary diagnosis of mental
2 illness and receiving substance abuse services, including a
3 description and breakdown, encompassing, at a minimum, the
4 categories of inpatient, residential, and outpatient care, of the
5 type of treatment provided to those prisoners.

6 (d) Data indicating if prisoners receiving mental health
7 services for a primary diagnosis of mental illness were previously
8 hospitalized in a state psychiatric hospital for persons with
9 mental illness.

10 (e) Data indicating whether prisoners with a primary diagnosis
11 of mental illness and receiving substance abuse services were
12 previously hospitalized in a state psychiatric hospital for persons
13 with mental illness.

14 Sec. 505. The department shall provide quarterly reports on
15 the Michigan youth correctional facility to the members of the
16 senate and house appropriations subcommittees on corrections, the
17 senate and house fiscal agencies, and the state budget director.
18 The reports shall provide information relevant to an assessment of
19 the safety and security of the institution, including, but not
20 limited to, information on the number of critical incidents by type
21 occurring at the facility, the number of custody staff at the
22 facility, staff turnover rates, staff vacancy rates, overtime
23 reports, prisoner grievances, and number and severity of assaults
24 occurring at the facility. The reports also shall provide
25 information on programming available at the facility and on program
26 enrollments, including, but not limited to, academic/vocational
27 programs, counseling programs, mental health treatment programs,



1 substance abuse treatment programs, and cognitive restructuring
2 programs.

3 Sec. 506. By April 1, 2006, the department shall report to the
4 senate and house appropriations subcommittees on corrections, the
5 senate and house fiscal agencies, and the state budget director on
6 programs provided during the previous fiscal year at the Michigan
7 youth correctional facility. For each program, the report shall
8 include information on program objectives, outcome measures, and
9 results, including the program's impact on offender behavior and
10 recidivism.

11 Sec. 507. The department shall require the contract monitor
12 for the Michigan youth correctional facility to provide a manual to
13 each prisoner at intake that details programs and services
14 available at the facility, the processes by which prisoner
15 complaints and grievances can be pursued, and the identity of staff
16 available at the facility to answer questions regarding the
17 information in the manual. The contract monitor shall obtain
18 written verification of receipt from each prisoner receiving the
19 manual. The contract monitor also shall answer prisoner questions
20 regarding facility programs, services, and grievance procedures.

21 Sec. 508. (1) It is the intent of the legislature that the
22 department renegotiate both the management contract and the lease
23 for the Michigan youth correctional facility with the GEO
24 corporation, with the aim of identifying and achieving
25 \$1,000,000.00 in savings for fiscal year 2005-2006 and each year
26 thereafter. Savings, including savings pertaining to changes in
27 security level, shall be reflected in contract and lease revisions.



1 (2) If reopened, the management contract shall require that
2 the Michigan youth correctional facility fulfill the same standards
3 for operating and staffing guard towers as are in place in a
4 department facility of the same security level.

5 (3) By November 1, 2005, the department shall provide a
6 detailed report to the members of the senate and house
7 appropriations committees, the senate and house fiscal agencies,
8 and the state budget director on the feasibility of changing the
9 operational security level of the Michigan youth correctional
10 facility. At a minimum, the report shall identify the contractual
11 and statutory changes necessary to operate the facility at security
12 levels other than level V, and on the savings that could be
13 achieved through operating all or part of the facility at 1 or more
14 security levels other than level V.

15 Sec. 509. From the funds appropriated in part 1, the
16 department shall provide training and materials developed with the
17 receipt of the federal prison rape elimination grant to the staff
18 and prisoners at the Michigan youth correctional facility in
19 addition to the department's facilities.

20 Sec. 510. The department shall develop and maintain a
21 statewide waiting list for offenders referred for assessment for
22 the assaultive offender program for parole eligibility and, if
23 possible, shall transfer prisoners into facilities where assaultive
24 offender programs are available in order to facilitate timely
25 participation and completion prior to parole eligibility hearings.

26 Sec. 511. The department may contract with a nationally
27 recognized, experienced agency within the state of Michigan to



1 conduct a complete and thorough quantitative and qualitative study
2 of youth in the juvenile and adult correction systems. The study
3 shall include, but not be limited to, demographic characteristics
4 including race, ethnicity, and gender; offenses; adjudication;
5 programs available and utilization of those programs; outcomes; and
6 aftercare. The department shall submit the results of this study to
7 the senate and house appropriations subcommittees on corrections,
8 the senate and house fiscal agencies, and the state budget director
9 by October 30, 2006.

10 **FIELD OPERATIONS ADMINISTRATION**

11 Sec. 601. From the funds appropriated in part 1, the
12 department shall conduct a statewide caseload audit of field
13 agents. The audit shall address public protection issues and assess
14 the ability of the field agents to complete their professional
15 duties. The results of the audit shall be submitted to the senate
16 and house appropriations subcommittees on corrections and the
17 senate and house fiscal agencies, and the state budget office by
18 September 30, 2006.

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



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

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

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

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

20 (3) Included in the appropriation in part 1 is adequate
21 funding to implement the community tether program to be
22 administered by the department. The community tether program is
23 intended to provide sentencing judges and county sheriffs in
24 coordination with local community corrections advisory boards
25 access to the state's electronic tether program to reduce prison
26 admissions and improve local jail utilization. The department shall
27 determine the appropriate distribution of the tether units



1 throughout the state based upon locally developed comprehensive
2 corrections plans under the community corrections act, 1988 PA 511,
3 MCL 791.401 to 791.414.

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

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

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

21 Sec. 606. (1) It is the intent of the legislature that the
22 department shall conduct or contract for a study of parole and
23 probation agent workloads. The study shall analyze agent workloads,
24 caseloads, and responsibilities and provide recommendations for
25 changes to workload computations and offender-agent workload or
26 caseload ratios.

27 (2) By April 1, 2006, the department shall report to the



1 senate and house appropriations subcommittees on corrections, the
2 senate and house fiscal agencies, and the state budget director on
3 the results of the study, including information on study timelines,
4 objectives, and methodology.

5 Sec. 607. It is the intent of the legislature that the
6 department shall implement means by which parolees and probationers
7 may timely contact their parole or probation agents, and develop
8 procedures that preclude any necessity for an offender to have
9 access to an agent's home telephone number or other personal
10 information pertaining to the agent.

11 Sec. 608. (1) Funds appropriated in part 1 for the parole and
12 probation special operations program are appropriated for the
13 purpose of funding law enforcement officer escorts for field agents
14 making unscheduled visits to verify offenders' whereabouts and
15 activities in selected precincts in cities with a population of
16 more than 750,000 according to the most recent United States
17 decennial census. As used in this section, "unscheduled visits"
18 means visits to locations other than governmental offices between
19 the hours of 5 p.m. and 8 a.m. and made without appointment with
20 the supervised offender.

21 (2) It is the intent of the legislature that in the course of
22 expending funds appropriated under part 1 for field operations, the
23 department shall cooperate with the department of attorney general
24 and law enforcement agencies either located in or with jurisdiction
25 in cities with a population of more than 750,000 according to the
26 most recent United States decennial census in assigning field
27 agents to conduct unscheduled visits in selected police precincts



1 in cities with a population of more than 750,000 according to the
2 most recent United States decennial census.

3 **COMMUNITY CORRECTIONS**

4 Sec. 701. The office of community corrections shall provide
5 and coordinate the delivery and implementation of services in
6 communities to facilitate successful offender reintegration into
7 the community. Programs and services to be offered shall include,
8 but are not limited to, technical assistance for comprehensive
9 corrections plan development, new program start-up funding, program
10 funding for those programs delivering services for eligible
11 offenders in geographic areas identified by the office of community
12 corrections as having a shortage of available services, technical
13 assistance, referral services for education, employment services,
14 and substance abuse and family counseling. As used in this article:

15 (a) "Alternative to incarceration in a state facility or jail"
16 means a program that involves offenders who receive a sentencing
17 disposition that appears to be in place of incarceration in a state
18 correctional facility or jail based on historical local sentencing
19 patterns or that amounts to a reduction in the length of sentence
20 in a jail.

21 (b) "Goal" means the intended or projected result of a
22 comprehensive corrections plan or community corrections program to
23 reduce prison commitment rates, to reduce the length of stay in a
24 jail, or to improve the utilization of a jail.

25 (c) "Jail" means a facility operated by a local unit of
26 government for the physical detention and correction of persons



1 charged with or convicted of criminal offenses.

2 (d) "Offender eligibility criteria" means particular criminal
3 violations, state felony sentencing guidelines descriptors, and
4 offender characteristics developed by advisory boards and approved
5 by local units of government that identify the offenders suitable
6 for community corrections programs funded through the office of
7 community corrections.

8 (e) "Offender target population" means felons or misdemeanants
9 who would likely be sentenced to imprisonment in a state
10 correctional facility or jail, who would not increase the risk to
11 the public safety, who have not demonstrated a pattern of violent
12 behavior, and who do not have criminal records that indicate a
13 pattern of violent offenses.

14 (f) "Offender who would likely be sentenced to imprisonment"
15 means either of the following:

16 (i) A felon or misdemeanor who receives a sentencing
17 disposition that appears to be in place of incarceration in a state
18 correctional facility or jail, according to historical local
19 sentencing patterns.

20 (ii) A currently incarcerated felon or misdemeanor who is
21 granted early release from incarceration to a community corrections
22 program or who is granted early release from incarceration as a
23 result of a community corrections program.

24 Sec. 702. (1) The funds included in part 1 for community
25 corrections comprehensive plans and services are to encourage the
26 development through technical assistance grants, implementation,
27 and operation of community corrections programs that serve as an



1 alternative to incarceration in a state facility or jail. The
2 comprehensive corrections plans shall include an explanation of how
3 the public safety will be maintained, the goals for the local
4 jurisdiction, offender target populations intended to be affected,
5 offender eligibility criteria for purposes outlined in the plan,
6 and how the plans will meet the following objectives, consistent
7 with section 8(4) of the community corrections act, 1988 PA 511,
8 MCL 791.408:

9 (a) Reduce admissions to prison of nonviolent offenders who
10 would have otherwise received an active sentence, including
11 probation violators.

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

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

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

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

23 (2) The award of community corrections comprehensive plans and
24 residential services funds shall be based on criteria that include,
25 but are not limited to, the prison commitment rate by category of
26 offenders, trends in prison commitment rates and jail utilization,
27 historical trends in community corrections program capacity and



1 program utilization, and the projected impact and outcome of annual
2 policies and procedures of programs on prison commitment rates and
3 jail utilization.

4 (3) Funds awarded for residential services in part 1 shall
5 provide for a per diem reimbursement of not more than \$47.50.

6 Sec. 703. The comprehensive corrections plans shall also
7 include, where appropriate, descriptive information on the full
8 range of sanctions and services that are available and utilized
9 within the local jurisdiction and an explanation of how jail beds,
10 residential services, the special alternative incarceration program
11 (boot camp), probation detention centers, the electronic monitoring
12 program for probationers, and treatment and rehabilitative services
13 will be utilized to support the objectives and priorities of the
14 comprehensive corrections plan and the purposes and priorities of
15 section 8(4) of the community corrections act, 1988 PA 511, MCL
16 791.408. The plans shall also include, where appropriate,
17 provisions that detail how the local communities plan to respond to
18 sentencing guidelines found in chapter XVII of the code of criminal
19 procedure, 1927 PA 175, MCL 777.1 to 777.69, and the use of the
20 county jail reimbursement program under section 706 of this
21 article. The state community corrections board shall encourage
22 local community corrections boards to include in their
23 comprehensive corrections plans strategies to collaborate with
24 local alcohol and drug treatment agencies of the department of
25 community health for the provision of alcohol and drug screening,
26 assessment, case management planning, and delivery of treatment to
27 alcohol- and drug-involved offenders, including, but not limited



1 to, probation and parole violators who are at risk of revocation.

2 Sec. 704. (1) As part of the March biannual report specified
3 in section 12(2) of the community corrections act, 1988 PA 511, MCL
4 791.412, that requires an analysis of the impact of that act on
5 prison admissions and jail utilization, the department shall submit
6 to the senate and house appropriations subcommittees on
7 corrections, the senate and house fiscal agencies, and the state
8 budget director the following information for each county and
9 counties consolidated for comprehensive corrections plans:

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

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

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

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

22 (e) Offender disposition data by sentencing guideline range,
23 by disposition type, number and percent statewide and by county,
24 current year, and comparisons to the previous 3 years.

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



1 Sec. 705. (1) The department shall identify and coordinate
2 information regarding the availability of and the demand for
3 community corrections programs, jail-based community corrections
4 programs, and basic state-required jail data.

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

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

10 Sec. 706. (1) The department shall administer a county jail
11 reimbursement program from the funds appropriated in part 1 for the
12 purpose of reimbursing counties for housing in jails felons who
13 otherwise would have been sentenced to prison.

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

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

25 (b) The felon's minimum sentencing guidelines range minimum is
26 more than 12 months.

27 (3) State reimbursement under this section for prisoner



1 housing and custody expenses per diverted offender shall be \$43.50
2 per diem for up to a 1-year total.

3 (4) From the funds appropriated in part 1 for the county jail
4 reimbursement program, the department shall contract for an ongoing
5 study to determine the impact of the new legislative sentencing
6 guidelines. The study shall analyze sentencing patterns of
7 jurisdictions as well as future patterns in order to determine and
8 quantify the population impact on prisons and jails of the new
9 guidelines as well as to identify and define felon or crime
10 characteristics or sentencing guidelines scores that indicate a
11 felon is a prison diversion. The department shall contract for a
12 local and statewide study for this purpose and provide periodic
13 reports regarding the status and findings of the study to the house
14 and senate appropriations subcommittees on corrections, the house
15 and senate fiscal agencies, and the state budget director.

16 (5) The department, the Michigan association of counties, and
17 the Michigan sheriffs' association shall review the periodic
18 findings of the study required in subsection (4) and, if
19 appropriate, recommend modification of the criteria for
20 reimbursement contained in subsection (2). Any recommended
21 modification shall be forwarded to the house and senate
22 appropriations subcommittees on corrections and the state budget
23 office.

24 (6) The department shall reimburse counties for offenders in
25 jail based upon the reimbursement eligibility criteria in place on
26 the date the offender was originally sentenced for the reimbursable
27 offense.



1 (7) County jail reimbursement program expenditures shall not
2 exceed the amount appropriated in part 1 for the county jail
3 reimbursement program. Payments to counties under the county jail
4 reimbursement program shall be made in the order in which properly
5 documented requests for reimbursements are received. A request
6 shall be considered to be properly documented if it meets MDOC
7 requirements for documentation. The department shall by October 15,
8 2005 distribute the documentation requirements to all counties.

9 Sec. 707. (1) As a condition of receipt of the funds
10 appropriated in part 1 for community corrections plans and services
11 and probation residential centers, the department shall only award
12 those funds requested under a properly prepared and approved
13 comprehensive corrections plan submitted under section 8 of the
14 community corrections act, 1988 PA 511, MCL 791.408, or directly
15 applied for under section 10 of the community corrections act, 1988
16 PA 511, MCL 791.410.

17 (2) The department shall only halt funding for an entity
18 funded under section 8 of the community corrections act, 1988 PA
19 511, MCL 791.408, in instances of substantial noncompliance during
20 the period covered by the plan.

21 Sec. 708. (1) Funds included in part 1 for the felony drunk
22 driver jail reduction and community treatment program are
23 appropriated for and may be expended for any of the following
24 purposes:

25 (a) To increase availability of treatment options to reduce
26 drunk driving and drunk driving-related deaths by addressing the
27 alcohol addiction of felony drunk drivers who otherwise likely



1 would be sentenced to jail or a combination of jail and other
2 sanctions.

3 (b) To divert from jail sentences or to reduce the length of
4 jail sentences for felony drunk drivers who otherwise would have
5 been sentenced to jail and whose recommended minimum sentence
6 ranges under sentencing guidelines established under chapter XVII
7 of the code of criminal procedure, 1927 PA 175, MCL 777.1 to
8 777.69, have upper limits of 18 months or less, through funding
9 programs that may be used in lieu of incarceration and that
10 increase the likelihood of rehabilitation.

11 (c) To provide a policy and funding framework to make
12 additional jail space available for housing convicted felons whose
13 recommended minimum sentence ranges under sentencing guidelines
14 established under chapter XVII of the code of criminal procedure,
15 1927 PA 175, MCL 777.1 to 777.69, have lower limits of 12 months or
16 less and who likely otherwise would be sentenced to prison, with
17 the aim of enabling counties to meet or exceed amounts received
18 through the county jail reimbursement program during fiscal year
19 2002-2003 and reducing the numbers of felons sentenced to prison.

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

27 (3) In developing annual standards, the committee shall



1 consult with interested agencies and associations. Standards
2 developed by the committee shall include application criteria,
3 performance objectives and measures, funding allocations, and
4 allowable uses of the funds, consistent with the purposes specified
5 in this section.

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

12 (5) The standards developed by the committee shall assign each
13 county a maximum funding allocation based on the amount the county
14 received under the county jail reimbursement program in fiscal year
15 2001-2002 for housing felony drunk drivers whose recommended
16 minimum sentence ranges under the sentencing guidelines described
17 in subsection (1)(c) had upper limits of 18 months or less.

18 (6) Awards of funding under this section shall be provided
19 consistent with the local comprehensive corrections plans developed
20 under the community corrections act, 1988 PA 511, MCL 791.401 to
21 791.414. Funds awarded under this section may be used in
22 conjunction with funds awarded under grant programs established
23 under that act. Due to the need for felony drunk drivers to be
24 transitioned from county jails to community treatment services, it
25 is the intent of the legislature that local units of government
26 utilize funds received under this section to support county sheriff
27 departments.



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

7 Sec. 709. (1) By April 1, 2006, the department shall report to
8 the members of the senate and house appropriations subcommittees on
9 corrections, the senate and house fiscal agencies, and the state
10 budget director on each of the following:

11 (a) The county jail reimbursement program.

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

14 (c) The alternatives to prison jail and treatment programs.

15 (d) The jail capacity expansion program.

16 (e) New initiatives to control prison population growth funded
17 under residential services and comprehensive plans and services.

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

21 (a) Program objectives and outcome measures.

22 (b) Expenditures by location.

23 (c) The impact on jail utilization.

24 (d) The impact on prison admissions.

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



1 **CONSENT DECREES**

2 Sec. 801. Funding appropriated in part 1 for consent decree
3 line items is appropriated into separate control accounts created
4 for each line item. Funding in each control account shall be
5 distributed as necessary into separate accounts created for the
6 purpose of separately identifying costs and expenditures associated
7 with each consent decree.

8 **HEALTH CARE**

9 Sec. 901. The department shall not expend funds appropriated
10 under part 1 for any surgery, procedure, or treatment to provide or
11 maintain a prisoner's sex change unless it is determined medically
12 necessary by the chief medical officer of the department.

13 Sec. 902. (1) As a condition of expenditure of the funds
14 appropriated in part 1, the department shall report to the senate
15 and house appropriations subcommittees on corrections on January 1,
16 2006 and July 1, 2006 the status of payments from contractors to
17 vendors for health care services provided to prisoners, as well as
18 the status of the contracts, and an assessment of prisoner health
19 care quality.

20 (2) It is the intent of the legislature that, in the interest
21 of providing the most efficient and cost-effective delivery of
22 health care, local health care providers shall be considered and
23 given the opportunity to competitively bid as vendors under future
24 managed care contracts.

25 Sec. 903. There are sufficient funds and FTEs appropriated in
26 part 1 to provide a full complement of nurses for clinical



1 complexes working regular pay hours and it is the intent of the
2 legislature that sufficient nurses be hired or retained to limit
3 the use of overtime other-than-holiday pay.

4 Sec. 905. It is the intent of the legislature that, with the
5 funds appropriated in part 1 for hospital and specialty care
6 services, the department shall ensure that local providers of
7 ambulance services to prisoners be reimbursed within 60 days of the
8 filing of any uncontested claim for service.

9 Sec. 906. (1) The department shall identify and manage
10 prisoners who abuse the availability of medical services by
11 obtaining transportation to off-site medical care when unnecessary
12 or reasonably avoidable. In doing this, the department shall, when
13 appropriate, consult with off-site medical facilities on how to
14 accomplish this goal.

15 (2) By April 1, 2006, the department shall report to the
16 senate and house appropriations subcommittees on corrections, the
17 senate and house fiscal agencies, and the state budget director on
18 its activities and progress in implementing this section.

19 Sec. 907. The bureau of health care services shall develop
20 information on Hepatitis C prevention and the risks associated with
21 exposure to Hepatitis C, and the health care providers shall
22 disseminate this information verbally and in writing to each
23 prisoner at the health screening and full health appraisal
24 conducted at admissions, at the annual health care screening 1 week
25 before or after a prisoner's birthday, and prior to release to the
26 community by parole, transfer to community residential placement,
27 or discharge on the maximum.



1 Sec. 908. From the funds appropriated in part 1, the
2 department shall offer an alanine aminotransferase (ALT) test to
3 each prisoner who has received positive parole action. An
4 explanation of results of the test shall be provided confidentially
5 to the prisoner prior to release on parole, and if appropriate
6 based on the test results, the prisoner shall also be provided a
7 recommendation to seek follow-up medical attention in the
8 community. The test shall be voluntary; if the prisoner refuses to
9 be tested, that decision shall not affect parole release,
10 conditions of parole, or parole supervision.

11 Sec. 909. The department shall ensure that all medications for
12 a prisoner be transported with that prisoner when the prisoner is
13 transferred from 1 correctional facility to another.

14 **INSTITUTIONAL OPERATIONS**

15 Sec. 1001. As a condition of expenditure of the funds
16 appropriated in part 1, the department shall ensure that smoking
17 areas are designated for use by prisoners and staff at each
18 facility. At a minimum, all outdoor areas within each facility's
19 perimeter shall be designated for smoking, except that smoking may
20 be forbidden within 20 feet of any building designated as
21 nonsmoking or smoke-free.

22 Sec. 1002. From the funds appropriated in part 1, the
23 department shall allocate sufficient funds to develop a pilot
24 children's visitation program. The pilot program shall teach
25 parenting skills and arrange for day visitation at these facilities
26 for parents and their children, except for the families of



1 prisoners convicted of a crime involving criminal sexual conduct in
2 which the victim was less than 18 years of age or involving child
3 abuse.

4 Sec. 1003. The department shall prohibit prisoners access to
5 or use of the Internet or any similar system.

6 Sec. 1004. Any department employee who, in the course of his
7 or her job, is determined by a physician to have had a potential
8 exposure to the Hepatitis B virus, shall receive a Hepatitis B
9 vaccination upon request.

10 Sec. 1006. (1) The inmate housing fund shall be used for the
11 custody, treatment, clinical, and administrative costs associated
12 with the housing of prisoners other than those specifically
13 budgeted for elsewhere in this article. Funding in the inmate
14 housing fund is appropriated into a separate control account.
15 Funding in the control account shall be distributed as necessary
16 into separate accounts created to separately identify costs for
17 specific purposes.

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

22 Sec. 1007. The department shall establish a uniform rate to be
23 paid by agencies that benefit from public work services provided by
24 special alternative incarceration participants and prisoners.

25 Sec. 1008. It is the intent of the legislature that from the
26 funds appropriated in part 1 for prison operations the department
27 maintain on a voluntary basis 1 or more cognitive restructuring



1 programs.

2 Sec. 1009. By April 1, 2006, the department shall report to
3 the senate and house appropriations subcommittees on corrections,
4 the senate and house fiscal agencies, and the state budget director
5 on academic/vocational programs for the most recently completed
6 appropriation year. The report shall provide information relevant
7 to an assessment of the department's academic and vocational
8 programs, including, but not limited to, the following:

9 (a) The number of prisoners enrolled in each program, the
10 number of prisoners completing each program, and the number of
11 prisoners on waiting lists for each program.

12 (b) The steps the department has undertaken to improve
13 programs and reduce waiting lists.

14 (c) An explanation of the value and purpose of each program,
15 e.g., to improve employability, reduce recidivism, reduce prisoner
16 idleness, or some combination of these and other factors.

17 (d) An identification of program outcomes for each academic
18 and vocational program.

19 (e) An explanation of the department's plans for academic and
20 vocational programs.

21 Sec. 1010. (1) By February 1, 2006, the department shall
22 report to the senate and house appropriations subcommittees on
23 corrections, the senate and house fiscal agencies, and the state
24 budget director, the percent of offenders included in the prison
25 population intake for fiscal years 2003-2004 and 2004-2005 who have
26 a high school diploma or a general educational development (G.E.D.)
27 certificate.



1 (2) By February 1, 2006, the department shall provide the
2 senate and house appropriations subcommittees on corrections, the
3 senate and house fiscal agencies, and the state budget director
4 with statistical reports on the efficacy of both department-
5 provided prison general education and vocational education programs
6 in reducing offender recidivism rates. At a minimum, the report
7 should compare the recidivism rates of the following groups of
8 offenders:

9 (a) Offenders who completed a G.E.D. while in prison and
10 participated in the MPRI.

11 (b) Offenders who completed a G.E.D. while in prison but did
12 not participate in the MPRI.

13 (c) Offenders who completed a vocational education program
14 while in prison and participated in the MPRI.

15 (d) Offenders who completed a vocational education program
16 while in prison but did not participate in the MPRI.

17 Sec. 1011. As a condition of expending funds appropriated for
18 academic/vocational programs under section 108 of this article, the
19 department shall by January 31, 2006 and each January 31 thereafter
20 provide a plan to increase certification rates among prisoners
21 enrolled in general educational development (G.E.D.) programs at
22 correctional facilities to the members of the senate and house
23 appropriations committees, the senate and house fiscal agencies,
24 and the state budget director. The plan shall include detailed
25 information on certification rates for the most recent 5-year
26 period, a comparison with prisoner certification rates in other
27 states and a national average, and details on how the department



1 plans to improve certification rates.

2 Sec. 1012. The department shall allow the Michigan Braille
3 transcribing fund program to operate at its current location. The
4 donation of the building by the Michigan Braille transcribing fund
5 at the G. Robert Cotton correctional facility in Jackson is
6 acknowledged and appreciated. The department shall continue to
7 encourage the Michigan Braille transcribing fund to produce high
8 quality materials for use by the visually impaired.

9 Sec. 1013. (1) From the appropriations in part 1, the
10 department shall ensure that all prisoner activities shall include
11 the presence of a sufficient number of correctional officers needed
12 to maintain the safety and security of the institution.

13 (2) By February 1, 2006, the department shall report to the
14 senate and house appropriations subcommittees on corrections, the
15 senate and house fiscal agencies, and the state budget director the
16 number of critical incidents occurring each month by type and the
17 number and severity of assaults occurring each month at each
18 facility during calendar year 2005.

19 Sec. 1014. (1) The department shall implement a plan to remove
20 male corrections staff from the housing units in female prisons.

21 (2) The department shall make the process of filing a claim of
22 sexual assault or harassment less intimidating by designating a
23 staff person in each facility to assist prisoners in filing a
24 complaint to ensure that it is not illegible or vague and does not
25 contain extraneous information.

26 (3) The department shall refer all complaints of criminal
27 conduct to the Michigan state police.



1 Sec. 1015. It is the intent of the legislature that the funds
2 appropriated in part 1 for supplementary operational expenditures
3 be used to offset costs of employee wage and salary increases,
4 contractual obligations to pay dry cleaning allowances, and jail
5 capacity grants.

6 ARTICLE 5

7 DEPARTMENT OF EDUCATION

8 PART 1

9 LINE-ITEM APPROPRIATIONS

10 Sec. 101. Subject to the conditions set forth in this article,
11 the amounts listed in this part are appropriated for the department
12 of education for the fiscal year ending September 30, 2006, from
13 the funds indicated in this part. The following is a summary of the
14 appropriations in this part:

15 **DEPARTMENT OF EDUCATION**

16 APPROPRIATION SUMMARY:

17	Full-time equated unclassified positions	6.0
18	Full-time equated classified positions	417.5
19	GROSS APPROPRIATION	\$ 117,825,600
20	Interdepartmental grant revenues:	
21	Total interdepartmental grants and intradepartmental	
22	transfers	0
23	ADJUSTED GROSS APPROPRIATION	\$ 117,825,600
24	Appropriated from:	
25	Federal revenues:	



1	Total federal revenues	70,519,400
2	Special revenue funds:	
3	Local cost sharing (schools for blind/deaf)	5,151,100
4	Local school district service fees	292,900
5	Total local revenues	5,444,000
6	Private gifts, bequests, and donations	504,900
7	Private foundations	1,393,700
8	Total private revenues	1,898,600
9	Total local and private revenues	7,342,600
10	Certification fees	4,489,400
11	Commodity distribution fees	75,100
12	Lansing, Michigan school for the blind rent	1,811,100
13	Michigan merit award trust funds	16,359,300
14	Student insurance revenues	214,600
15	Teacher testing fees	313,700
16	Tenant rent	150,000
17	Training and orientation workshop fees	100,000
18	Total other state restricted revenues	23,513,200
19	State general fund/general purpose	\$ 16,450,400
20	Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE	
21	SUPERINTENDENT (KIDS SUCCEEDING)	
22	Full-time equated unclassified positions	6.0
23	Full-time equated classified positions	16.0
24	State board of education, per diem payments	\$ 24,400
25	Unclassified positions--6.0 FTE positions	515,600
26	State board/superintendent operations--16.0 FTE	
27	positions.....	<u>3,130,000</u>



1	GROSS APPROPRIATION	\$	3,670,000
2	Appropriated from:		
3	Federal revenues:		
4	Federal revenues		1,816,900
5	Special revenue funds:		
6	Certification fees		184,100
7	Private foundations		24,500
8	State general fund/general purpose	\$	1,644,500
9	Sec. 103. CENTRAL SUPPORT (KIDS SUCCEEDING)		
10	Full-time equated classified positions 27.0		
11	Central support--27.0 FTE positions	\$	3,485,500
12	Worker's compensation		45,000
13	Building occupancy charges-property management		
14	services.....		1,532,400
15	Training and orientation workshops		100,000
16	Terminal leave payments		620,400
17	Tenant rent		150,000
18	Human resources optimization user charges		<u>29,500</u>
19	GROSS APPROPRIATION	\$	5,962,800
20	Appropriated from:		
21	Federal revenues:		
22	Federal revenues		3,639,400
23	Special revenue funds:		
24	Certification fees		284,100
25	Local cost sharing (schools for blind/deaf)		93,400
26	Commodity distribution fees		7,000
27	Teacher testing fees		14,100



1	Tenant rent	150,000
2	Training and orientation workshop fees	100,000
3	State general fund/general purpose	\$ 1,674,800
4	Sec. 104. INFORMATION TECHNOLOGY SERVICES (KIDS	
5	SUCCEEDING)	
6	Information technology operations	\$ <u>2,532,900</u>
7	GROSS APPROPRIATION	\$ 2,532,900
8	Appropriated from:	
9	Federal revenues:	
10	Federal revenues	1,551,500
11	Special revenue funds:	
12	Certification fees	183,400
13	Local cost sharing (schools for blind/deaf)	48,800
14	State general fund/general purpose	\$ 749,200
15	Sec. 105. SPECIAL EDUCATION SERVICES (KIDS	
16	SUCCEEDING)	
17	Full-time equated classified positions	52.0
18	Special education operations--52.0 FTE positions	\$ <u>11,278,500</u>
19	GROSS APPROPRIATION	\$ 11,278,500
20	Appropriated from:	
21	Federal revenues:	
22	Federal revenues	10,923,300
23	Special revenue funds:	
24	Certification fees	37,500
25	Private foundations	102,300
26	State general fund/general purpose	\$ 215,400
27	Sec. 106. LANSING, MICHIGAN SCHOOL FOR THE BLIND	



1 **FORMER SITE (EFFECTIVE GOVERNMENT)**

2	General services	\$	<u>1,821,100</u>
3	GROSS APPROPRIATION	\$	1,821,100
4	Appropriated from:		
5	Special revenue funds:		
6	Lansing, Michigan school for the blind rent		1,811,100
7	Gifts, bequests, and donations		10,000
8	State general fund/general purpose	\$	0

9 **Sec. 107. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

10 **(KIDS SUCCEEDING)**

11	Full-time equated classified positions	88.0	
12	Michigan schools for the deaf and blind operations--		
13	87.0 FTE positions	\$	10,641,600
14	Summer institute		90,000
15	Camp Tuhsmeheeta--1.0 FTE positions		250,100
16	Private gifts - blind		90,000
17	Private gifts - deaf		<u>50,000</u>
18	GROSS APPROPRIATION	\$	11,121,700
19	Appropriated from:		
20	Federal revenues:		
21	Federal revenues		5,120,800
22	Special revenue funds:		
23	Local cost sharing (schools for blind/deaf)		5,008,900
24	Local school district service fees		282,500
25	Gifts, bequests, and donations		494,900
26	Student insurance revenue		214,600
27	State general fund/general purpose	\$	0



1 **Sec. 108. PROFESSIONAL PREPARATION SERVICES (KIDS**
 2 **SUCCEEDING)**

3	Full-time equated classified positions	31.0		
4	Professional preparation operations--31.0 FTE			
5	positions.....		\$	5,542,800
6	Department of attorney general			<u>50,000</u>
7	GROSS APPROPRIATION		\$	5,592,800
8	Appropriated from:			
9	Federal revenues:			
10	Federal revenues			2,658,600
11	Special revenue funds:			
12	Certification fees			2,634,600
13	Teacher testing fees			299,600
14	State general fund/general purpose		\$	0

15 **Sec. 109. EARLY CHILDHOOD EDUCATION AND FAMILY**
 16 **SERVICES (KIDS SUCCEEDING)**

17	Full-time equated classified positions	23.0		
18	Early childhood education and family services			
19	operations--23.0 FTE positions.....		\$	<u>4,030,300</u>
20	GROSS APPROPRIATION		\$	4,030,300
21	Appropriated from:			
22	Federal revenues:			
23	Federal revenues			2,863,400
24	Special revenue funds:			
25	Certification fees			56,500
26	Private foundations			184,800
27	State general fund/general purpose		\$	925,600



1 **Sec. 110. SCHOOL IMPROVEMENT SERVICES (KIDS**
 2 **SUCCEEDING)**

3	Full-time equated classified positions	74.0	
4	School improvement operations--74.0 FTE positions		\$ <u>16,361,300</u>
5	GROSS APPROPRIATION		\$ 16,361,300
6	Appropriated from:		
7	Federal revenues:		
8	Federal revenues		14,335,700
9	Special revenue funds:		
10	Certification fees		518,900
11	Private foundations		1,082,100
12	State general fund/general purpose		\$ 424,600

13 **Sec. 111. SCHOOL FINANCE AND SCHOOL LAW SERVICES**
 14 **(KIDS SUCCEEDING)**

15	Full-time equated classified positions	20.0	
16	School finance and school law operations--20.0 FTE		
17	positions.....		\$ <u>2,592,700</u>
18	GROSS APPROPRIATION		\$ 2,592,700
19	Appropriated from:		
20	Federal revenues:		
21	Federal revenues		1,323,200
22	Special revenue funds:		
23	Certification fees		490,300
24	State general fund/general purpose		\$ 779,200

25 **Sec. 112. EDUCATION ASSESSMENT AND ACCOUNTABILITY**
 26 **(KIDS SUCCEEDING)**

27 Full-time equated classified positions



1	Educational assessment operations--27.0 FTE positions	\$	<u>35,196,600</u>
2	GROSS APPROPRIATION	\$	35,196,600
3	Appropriated from:		
4	Federal revenues:		
5	Federal revenues		18,837,300
6	Special revenue funds:		
7	Michigan merit award trust funds		16,359,300
8	State general fund/general purpose	\$	0
9	Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT		
10	SERVICES (KIDS SUCCEEDING)		
11	Full-time equated classified positions		59.5
12	Grants administration and school support services		
13	operations--59.5 FTE positions	\$	<u>7,939,900</u>
14	GROSS APPROPRIATION	\$	7,939,900
15	Appropriated from:		
16	Federal revenues:		
17	Federal revenues		7,449,300
18	Special revenue funds:		
19	Commodity distribution fees		68,100
20	Local school district service fees		10,400
21	State general fund/general purpose	\$	412,100
22	Sec. 114. GRANTS AND DISTRIBUTIONS (KIDS SUCCEEDING)		
23	Middle school math project	\$	100,000
24	School breakfast programs		<u>9,625,000</u>
25	GROSS APPROPRIATION	\$	9,725,000
26	Appropriated from:		
27	Special revenue funds:		



1	Certification fees	100,000
2	State general fund/general purpose	\$ 9,625,000

3 PART 2

4 PROVISIONS CONCERNING APPROPRIATIONS

5 GENERAL SECTIONS

6 Sec. 201. Pursuant to section 30 of article IX of the state
7 constitution of 1963, total state spending from state resources
8 under part 1 for fiscal year 2005-2006 is \$39,963,600.00 and state
9 spending from state resources to be paid to local units of
10 government for fiscal year 2005-2006 is estimated at \$9,625,000.00.
11 The itemized statement below identifies appropriations from which
12 spending to units of local government will occur:

13 GRANTS AND DISTRIBUTIONS

14 STATE PROGRAMS:

15	School breakfast	\$ <u>9,625,000</u>
16	TOTAL	\$ 9,625,000

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

20 Sec. 203. As used in this article:

21 (a) "Department" means the Michigan department of education.

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



1 (c) "FTE" means full-time equated.

2 (d) "ISD" means intermediate school district.

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

8 Sec. 205. Unless otherwise specified, the department shall use
9 the Internet to fulfill the reporting requirements of this article.
10 This requirement may include transmission of reports via electronic
11 mail to the recipients identified for each reporting requirement,
12 or it may include placement of reports on an Internet or Intranet
13 site.

14 Sec. 206. The department shall provide the state budget
15 director and the senate and house fiscal agencies with copies of
16 the state board of education agenda and all supporting documents at
17 the time the agenda and supporting documents are provided to state
18 board of education members.

19 Sec. 207. (1) Upon receipt of the federal drug free grant, the
20 department shall allocate \$225,000.00 of the grant to the safe
21 school program within the department. The safe school program shall
22 work with local school boards, parents of enrolled students, law
23 enforcement agencies, community leaders, and the office of drug
24 control policy for the prevention of school violence. The safe
25 school program shall develop and implement, and serve as
26 coordinator of, a statewide clearinghouse for information, program
27 development, model programs and policies, and technical assistance



1 on school violence prevention.

2 (2) To accomplish its functions under this section, the safe
3 school program shall do all of the following:

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

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

16 (c) Advance, promote, and encourage the awareness and use of
17 the state police antiviolence hotline.

18 Sec. 208. The department shall require all public school
19 districts to maintain complete records within the personnel file of
20 a teacher or school employee of any disciplinary actions taken by
21 the local school board against the teacher or employee for sexual
22 misconduct. The records shall not be destroyed or removed from the
23 teacher's or employee's personnel file except as required by a
24 court order.

25 Sec. 209. From the funds appropriated in part 1 for
26 information technology, departments and agencies shall pay user
27 fees to the department of information technology for technology-



1 related services and projects. Such user fees shall be subject to
2 provisions of an interagency agreement between the departments and
3 agencies and the department of information technology.

4 Sec. 210. Amounts appropriated in part 1 for information
5 technology may be designated as work projects and carried forward
6 to support technology projects under the direction of the
7 department of information technology. Funds designated in this
8 manner are not available for expenditure until approved as work
9 projects under section 451a of the management and budget act, 1984
10 PA 431, MCL 18.1451a.

11 Sec. 211. Before publishing a list of schools or districts
12 determined to have failed to make adequate yearly progress as
13 required by the federal no child left behind act of 2001, Public
14 Law 107-110, 115 Stat. 1425, the department shall allow a school or
15 district to appeal that determination. The department shall
16 consider and act upon the appeal within 30 days after it is
17 submitted and shall not publish the list until after all appeals
18 have been considered and decided.

19 Sec. 212. Funds appropriated in part 1 shall not be used for
20 the purchase of foreign goods or services, or both, if
21 competitively priced and comparable quality American goods or
22 services, or both, are available. Preference should be given to
23 goods or services, or both, manufactured or provided by Michigan
24 businesses if they are competitively priced and of comparable
25 quality.

26 Sec. 213. (1) A hiring freeze is imposed on the state
27 classified civil service. State departments and agencies are



1 prohibited from hiring any new full-time state classified civil
2 service employees and prohibited from filling any vacant state
3 classified civil service positions. This hiring freeze does not
4 apply to internal transfers of classified employees from 1 position
5 to another within a department.

6 (2) The state budget director may grant exceptions to this
7 hiring freeze when the state budget director believes that the
8 hiring freeze will result in rendering a state department or agency
9 unable to deliver basic services, cause loss of revenue to the
10 state, result in the inability of the state to receive federal
11 funds, or necessitate additional expenditures that exceed any
12 savings from maintaining a vacancy. The state budget director shall
13 report quarterly to the chairpersons of the senate and house of
14 representatives standing committees on appropriations the number of
15 exceptions to the hiring freeze approved during the previous
16 quarter and the reasons to justify the exception.

17 Sec. 214. (1) Due to the current budgetary problems in this
18 state, out-of-state travel for the fiscal year ending September 30,
19 2006 shall be limited to situations in which 1 or more of the
20 following conditions apply:

21 (a) The travel is required by legal mandate or court order or
22 for law enforcement purposes.

23 (b) The travel is necessary to protect the health or safety of
24 Michigan citizens or visitors or to assist other states in similar
25 circumstances.

26 (c) The travel is necessary to produce budgetary savings or to
27 increase state revenues, including protecting existing federal



1 funds or securing additional federal funds.

2 (d) The travel is necessary to comply with federal
3 requirements.

4 (e) The travel is necessary to secure specialized training for
5 staff that is not available within this state.

6 (f) The travel is financed entirely by federal or nonstate
7 funds.

8 (2) If out-of-state travel is necessary but does not meet 1 or
9 more of the conditions in subsection (1), the state budget director
10 may grant an exception to allow the travel. Any exceptions granted
11 by the state budget director shall be reported on a monthly basis
12 to the house and senate appropriations committees.

13 (3) Not later than January 1 of each year, each department
14 shall prepare a travel report listing all travel by classified and
15 unclassified employees outside this state in the immediately
16 preceding fiscal year that was funded in whole or in part with
17 funds appropriated in the department's budget. The report shall be
18 submitted to the chairs and members of the house and senate
19 appropriations committees, the fiscal agencies, and the state
20 budget director. The report shall include the following
21 information:

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

24 (b) The destination of each travel occurrence.

25 (c) The dates of each travel occurrence.

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



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

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

8 Sec. 215. The department shall not take disciplinary action
9 against an employee for communicating with a member of the
10 legislature or his or her staff.

11 Sec. 216. The director shall take all reasonable steps to
12 ensure businesses in deprived and depressed communities compete for
13 and perform contracts to provide services or supplies, or both.
14 Each director shall strongly encourage firms with which the
15 department contracts to subcontract with certified businesses in
16 depressed and deprived communities for services, supplies, or both.

17 Sec. 217. The department shall pay within 60 days of
18 submission the full amount of any bills submitted by the auditor
19 general for all costs incurred by the auditor general while
20 conducting audits of federally funded programs. The department
21 shall expend federal funds allowable under federal law to satisfy
22 any charges billed by the auditor general.

23 **STATE BOARD/OFFICE OF THE SUPERINTENDENT**

24 Sec. 301. (1) The appropriations in part 1 may be used for per
25 diem payments to the state board for meetings at which a quorum is
26 present or for performing official business authorized by the state



1 board. The per diem payments shall be at a rate as follows:

2 (a) State board of education - president - \$110.00 per day.

3 (b) State board of education - member other than president -
4 \$100.00 per day.

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

7 (3) The administrative secretary of the state board of
8 education shall report to the public, the senate and house fiscal
9 agencies, and the state budget director the previous quarter's
10 expenses by fund source for members of the state board of
11 education.

12 Sec. 302. From the amount appropriated in part 1 to the state
13 board of education, not more than \$35,000.00 shall be expended for
14 in-state travel. No funds from the amount appropriated in part 1
15 shall be expended for out-of-state travel unless the out-of-state
16 travel is directly related to the duties of the state board of
17 education.

18 Sec. 303. From the amount appropriated in part 1 to state
19 board/superintendent operations, not more than \$350,000.00 shall be
20 expended for a study by the state board of education to advise the
21 legislature and the governor of local, state, and national best
22 practices in education. The study is to review best practices at
23 all levels of the public education process that encourage effective
24 and efficient organization of schools and support improvement in
25 academic achievement. The study should focus on the delivery of
26 public school programs through school organization and services. In
27 undertaking the study, the state board of education is encouraged



1 to work with a third party meeting the qualifications identified in
2 section 1001.

3 **MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

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

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

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

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



1 (3) Security guards or other patrols at the Michigan school
2 for the blind's former site shall not be funded through part 1
3 funds appropriated for the Michigan schools for the deaf and blind.

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

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

12 (6) From the unexpended balances of appropriations for the
13 former school for the blind site in Lansing, up to \$100,000.00 of
14 any unexpended and unencumbered funds remaining on September 30,
15 2006 may be carried forward as a work project and expended for
16 special maintenance and repairs of facilities at the former
17 Michigan school for the blind site in Lansing. The work project
18 shall be performed by state employees or by contract when necessary
19 at an estimated cost of \$100,000.00. The estimated completion date
20 of the work project is September 30, 2007.

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

24 (2) In addition to those funds appropriated in part 1, the
25 department may receive and expend additional funds from lease
26 agreements at the Michigan schools for the deaf and blind Flint
27 campus that have been negotiated with the approval of the



1 department of management and budget. These funds are appropriated
2 to the department for the operation, maintenance, and renovation
3 expenses associated with the leased space.

4 (3) From the unexpended balances of appropriations for the
5 schools for the deaf and blind operations, up to \$250,000.00 of any
6 unexpended and unencumbered funds remaining on September 30, 2006
7 may be carried forward as a work project and expended for special
8 maintenance and repairs of facilities at the campus of the Michigan
9 schools for the deaf and blind in Flint. The work shall be carried
10 out by state employees, or by contract as necessary, at an
11 estimated cost of \$250,000.00. The estimated completion date of the
12 work is September 30, 2007.

13 Sec. 407. The department may assist the department of
14 community health, other departments, and local school districts to
15 secure reimbursement for eligible services provided in Michigan
16 schools from the federal Medicaid program. The department may
17 submit reports of direct expenses related to this effort to the
18 department of community health for reimbursement.

19 Sec. 408. (1) The Michigan schools for the deaf and blind may
20 promote its residential program as a possible appropriate option
21 for children who are deaf or hard of hearing or who are blind or
22 visually impaired. The Michigan schools for the deaf and blind
23 shall distribute information detailing its services to all
24 intermediate school districts in the state.

25 (2) Upon knowledge of or recognition by an intermediate school
26 district that a child in the district is deaf or hard of hearing or
27 blind or visually impaired, the intermediate school district shall



1 provide to the parents of the child the literature distributed by
2 the Michigan schools for the deaf and blind to intermediate school
3 districts under subsection (1).

4 (3) Parents should continue to have a choice regarding the
5 educational placement of their deaf or hard of hearing children.

6 Sec. 409. In addition to those funds appropriated in part 1,
7 the department may receive and expend funds from the mid-Michigan
8 leadership academy for capital improvements. The department shall
9 report to the house and senate fiscal agencies and the state budget
10 office on an annual basis any expenditures made under this section.
11 These additional funds are appropriated specifically for capital
12 improvements authorized by the department of management and budget
13 and shall be negotiated as part of the lease agreement.

14 Sec. 410. The department shall report annually to the house
15 and senate appropriations subcommittees on education detailed
16 information on the expenditures made from the amount authorized in
17 part 1 for general services for the Michigan school for the blind's
18 former site.

19 **PROFESSIONAL PREPARATION SERVICES**

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

24 Sec. 502. The department shall authorize teacher preparation
25 institutions to provide an alternative program by which up to 1/2
26 of the required student internship or student teaching credits may



1 be earned through substitute teaching. The department shall require
2 that teacher preparation institutions collaborate with school
3 districts to ensure that the quality of instruction provided to
4 student teachers is comparable to that required in a traditional
5 student teaching program.

6 Sec. 503. Of the funds appropriated in part 1 for professional
7 preparation operations, not more than \$75,000.00 shall be allocated
8 to Central Michigan University for the alternative route to
9 certification program.

10 OFFICE OF SCHOOL IMPROVEMENT

11 Sec. 601. From the amount appropriated in part 1 for the
12 office of school improvement, there is allocated \$350,000.00 and
13 3.5 FTE positions to operate a charter school office to administer
14 charter school legislation and associated regulations, and to
15 coordinate the activities of the department relating to charter
16 schools.

17 GRANTS AND DISTRIBUTIONS

18 Sec. 701. The department shall disburse the funds to a general
19 fund grantee in accordance with the same standards of timing and
20 amount that apply to disbursements made by the department to a
21 federal fund grantee. The disbursement shall be restricted to the
22 minimum amount needed for immediate disbursement by the grantee.
23 The department may waive this section if extenuating circumstances
24 warrant and are substantiated in the grantee's application or other
25 appropriate documentation. A waiver granted pursuant to this



1 section shall not be effective until 15 days after written notice
2 of the proposed waiver is given to the state budget director and
3 the chairpersons of the senate and house appropriations
4 subcommittees having jurisdiction over the department budget.

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

8 (a) The public school district participates in the federal
9 school breakfast program and meets all standards as prescribed by 7
10 CFR parts 220 and 245.

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

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

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

25 Sec. 703. From the amount appropriated in part 1 for middle
26 school math project, \$50,000.00 shall be awarded to the Michigan
27 virtual high school and \$50,000.00 shall be awarded to Wayne State



1 University for the purpose of providing professional development
2 for middle school math teachers or for the development or
3 enhancement of middle school math curriculum.

4 **INFORMATION TECHNOLOGY**

5 Sec. 801. The department shall work in collaboration with the
6 center for educational performance and information to support the
7 comprehensive educational information system and all data
8 collection efforts of the department.

9 **EDUCATIONAL ASSESSMENT**

10 Sec. 901. (1) From the funds appropriated in part 1 for the
11 educational assessment operations, the department shall provide
12 tests to nonpublic schools and home-schooled students upon request.
13 The department shall notify nonpublic schools that they are
14 eligible to receive the tests.

15 (2) The results of each test administered as part of the
16 Michigan educational assessment program, including tests
17 administered to high school students, shall include an item
18 analysis that lists all items that are counted for individual
19 student scores and the percentage of students choosing each
20 possible response.

21 **SCHOOL IMPROVEMENT SERVICES**

22 Sec. 1001. (1) From the amount appropriated in part 1 to school
23 improvement services, \$350,000.00 shall be expended for benchmarking
24 training services and district-level written reports. However, not



1 more than \$100,000.00 shall be expended for district-level written
2 reports.

3 (2) The department shall provide benchmarking training services
4 through a third party to assist schools that have not made adequate
5 yearly progress under the no child left behind act of 2001, Public Law
6 107-110, 115 Stat. 1425, identify and replicate effective curriculum
7 practices in reading, writing, and math. A third party providing
8 these services shall meet all of the following qualifications:

9 (a) Organizational independence from state and local governments,
10 public agencies, tax supported institutions, and school employees or
11 school employee organizations.

12 (b) Have a track record of providing public sector performance
13 measurement services that are characterized by analytical
14 transparency, objectivity, and rigor.

15 (c) Previous experience providing in-service training on the
16 subject of data-driven benchmarking studies of effective practices in
17 curriculum, instruction, and assessment, as may be found in schools
18 whose performance on 1 or more MEAP tests is consistently above that
19 of most other schools that enroll a similar percentage of economically
20 disadvantaged students for 2 to 3 consecutive years and significantly
21 exceeds statistical expectation.

22 (d) Previous experience providing high-quality in-service
23 training and related print materials that have been favorably
24 evaluated by K-12 educators in a documented manner.

25 (e) Previous working relationship with 1 or more Michigan-based
26 K-12 professional educational associations.

27 (3) The department shall provide district-level written reports



1 through a third party, including reports on Michigan's public schools
2 and public school academies. The report shall analyze a range of
3 performance indicators in demographic and environmental context. A
4 third party providing these services shall meet the following
5 qualifications:

6 (a) Organizational independence from state and local governments,
7 public agencies, tax supported institutions, and school employees or
8 school employee organizations.

9 (b) Have a track record of providing public sector performance
10 measurement services that are characterized by analytical
11 transparency, objectivity, and rigor.

12 (c) Previous experience publishing narrative reports on
13 Michigan's K-12 educational data that include an analysis of student
14 achievement, educational revenues and expenditures, the return on
15 educational investments, taxes, debt, the learning environment, and
16 demographics.

17 (d) Demonstrated ability to create comparison groups for the
18 purpose of benchmarking the performance of individual schools and
19 school districts.

20 (e) Have a track record of using the Internet to do both of the
21 following:

22 (i) Publish publicly accessible performance measurement reports
23 that describe the comparative circumstances and trends of K-12
24 educational entities, using narrative text, as well as charts, tables,
25 and graphs.

26 (ii) Provide interactive tools to search a publicly accessible
27 database consisting of academic, financial, demographic, and



1 contextual data at the school level, district level, and state level,
2 as applicable.

3 ARTICLE 6

4 DEPARTMENT OF ENVIRONMENTAL QUALITY

5 PART 1

6 LINE-ITEM APPROPRIATIONS

7 Sec. 101. Subject to the conditions set forth in this article,
8 the amounts listed in this part are appropriated for the department
9 of environmental quality for the fiscal year ending September 30,
10 2006, from the funds indicated in this part. The following is a
11 summary of the appropriations in this part:

12 **DEPARTMENT OF ENVIRONMENTAL QUALITY**

13 APPROPRIATION SUMMARY:

14	Full-time equated unclassified positions	6.0	
15	Full-time equated classified positions	1,567.2	
16	GROSS APPROPRIATION		\$ 455,267,000
17	Interdepartmental grant revenues:		
18	Total interdepartmental grants and intradepartmental		
19	transfers		18,031,100
20	ADJUSTED GROSS APPROPRIATION		\$ 437,235,900
21	Federal revenues:		
22	Total federal revenues		144,062,700
23	Special revenue funds:		
24	Total local revenues		0
25	Total private revenues		450,000



1	Total other state restricted revenues	260,913,600
2	State general fund/general purpose	\$ 31,809,600
3	FUND SOURCE SUMMARY:	
4	Full-time equated unclassified positions	6.0
5	Full-time equated classified positions	1,567.2
6	GROSS APPROPRIATION	\$ 455,267,000
7	Interdepartmental grant revenues:	
8	IDG-MDCH, local public health operations	10,472,500
9	IDG-MDSP	690,100
10	IDG, Michigan transportation fund	959,400
11	IDT, interdivisional charges	2,053,400
12	IDT, laboratory services	3,855,700
13	Total interdepartmental grants and intradepartmental	
14	transfers	18,031,100
15	ADJUSTED GROSS APPROPRIATION	\$ 437,235,900
16	Federal revenues:	
17	DHHS, federal	4,500
18	DHS, federal	1,473,100
19	DOC-NOAA, federal	3,506,200
20	DOD, federal	508,200
21	DOI, federal	575,000
22	EPA, brownfield cleanup revolving loan fund	1,000,000
23	EPA, multiple	136,995,700
24	Total federal revenues	144,062,700
25	Special revenue funds:	
26	Private funds	450,000
27	Total private revenues	450,000



1	Aboveground storage tank fees	794,400
2	Air emissions fees	13,119,900
3	Aquifer protection revolving fund	400,000
4	Campground fund	242,100
5	Clean Michigan initiative - administration	3,169,600
6	Clean Michigan initiative - clean water fund	3,187,100
7	Clean Michigan initiative - pollution prevention	
8	activities.....	100,000
9	Cleanup and redevelopment fund	15,774,600
10	Community pollution prevention fund	250,000
11	Environmental education fund	203,700
12	Environmental pollution prevention fund	1,839,700
13	Environmental protection fund	615,100
14	Environmental response fund	11,259,100
15	Fees and collections	565,900
16	Financial instruments	5,000,000
17	Great Lakes protection fund	2,547,100
18	Groundwater discharge permit fees	1,956,600
19	Hazardous materials transportation permit fund	218,800
20	Laboratory data quality recognition fund	15,400
21	Land and water permit fees	3,961,100
22	Landfill maintenance trust fund	52,100
23	Manufactured housing commission fees	633,300
24	Medical waste emergency response fund	250,400
25	Metallic mining surveillance fee revenue	69,400
26	Mineral well regulatory fee revenue	231,200
27	Nonferrous metallic mineral surveillance	200,000



1	NPDES fees	3,437,700
2	Oil and gas regulatory fund	9,660,300
3	Orphan well fund	2,029,600
4	Public swimming pool fund	541,700
5	Public utility assessments	806,600
6	Public water supply fees	4,619,200
7	Publication revenue	112,700
8	Refined petroleum fund	114,327,800
9	Retired engineers technical assistance fund	1,500,000
10	Revolving loan revenue bonds	11,400,000
11	Saginaw bay and river restoration revenue	165,300
12	Sand extraction fee revenue	194,000
13	Scrap tire regulatory fund	5,957,500
14	Septage waste contingency fund	35,600
15	Septage waste license fees	2,070,400
16	Settlement funds	3,256,800
17	Sewage sludge land application fee	838,700
18	Soil erosion and sedimentation control training fund .	108,300
19	Solid waste program fees	4,356,000
20	Stormwater permit fees	2,867,600
21	Strategic water quality initiatives fund	10,010,700
22	Underground storage tank fees	4,493,200
23	Waste reduction fee revenue	4,671,900
24	Wastewater operator training fees	177,400
25	Water analysis fees	3,404,800
26	Water pollution control revolving fund	3,050,200
27	Water quality protection fund	25,000



1	Water use reporting fees	138,000
2	Total other state restricted revenues	260,913,600
3	State general fund/general purpose	\$ 31,809,600
4	Sec. 102. EXECUTIVE OPERATIONS AND DEPARTMENT	
5	SUPPORT (RESOURCE CONSERVATION)	
6	Full-time equated unclassified positions	6.0
7	Full-time equated classified positions	79.0
8	Unclassified salaries--6.0 FTE positions	\$ 482,600
9	Administrative hearings	399,100
10	Automated data processing	2,053,400
11	Central operations--63.0 FTE positions	6,582,500
12	Environmental support projects	5,000,000
13	Executive direction--9.0 FTE positions	2,141,100
14	Human resource optimization user charges	59,100
15	Office of the Great Lakes--7.0 FTE positions	945,900
16	Building occupancy charges	7,850,900
17	Rent--privately owned property	<u>2,066,900</u>
18	GROSS APPROPRIATION	\$ 27,581,500
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	IDT, interdivisional charges	2,053,400
22	IDT, laboratory services	488,700
23	Federal revenues:	
24	DOI, federal	150,900
25	EPA, multiple	262,500
26	Special revenue funds:	
27	Aboveground storage tank fees	88,200



1	Air emissions fees	848,000
2	Campground fund	17,700
3	Clean Michigan initiative - administration	179,700
4	Cleanup and redevelopment fund	1,368,400
5	Environmental education fund	203,700
6	Environmental pollution prevention fund	62,600
7	Environmental protection fund	50,400
8	Environmental response fund	1,239,000
9	Fees and collections	50,100
10	Financial instruments	5,000,000
11	Great Lakes protection fund	547,100
12	Groundwater discharge permit fees	119,700
13	Hazardous materials transportation permit fund	15,000
14	Land and water permit fees	111,200
15	Medical waste emergency response fund	20,000
16	NPDES fees	319,600
17	Oil and gas regulatory fund	1,623,000
18	Public swimming pool fund	31,000
19	Public utility assessments	32,200
20	Public water supply fees	542,100
21	Refined petroleum fund	4,447,400
22	Retired engineers technical assistance fund	25,700
23	Scrap tire regulatory fund	122,800
24	Settlement funds	863,600
25	Sewage sludge land application fee	38,700
26	Solid waste program fees	139,300
27	Stormwater permit fees	220,700



1	Underground storage tank fees		275,800
2	Waste reduction fee revenue		259,700
3	Wastewater operator training fees		12,900
4	Water analysis fees		123,600
5	Water use reporting fees		8,300
6	State general fund/general purpose	\$	5,618,800
7	Sec. 103. AIR QUALITY (RESOURCE CONSERVATION)		
8	Full-time equated classified positions	242.0	
9	Air quality programs--242.0 FTE positions	\$	<u>23,221,800</u>
10	GROSS APPROPRIATION	\$	23,221,800
11	Appropriated from:		
12	Federal revenues:		
13	EPA, multiple		5,558,500
14	Special revenue funds:		
15	Air emissions fees		11,060,300
16	Environmental response fund		98,900
17	Fees and collections		380,000
18	Oil and gas regulatory fund		100,000
19	Refined petroleum fund		2,652,000
20	State general fund/general purpose	\$	3,372,100
21	Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES		
22	(RESOURCE CONSERVATION)		
23	Full-time equated classified positions	184.0	
24	Environmental services--27.5 FTE positions	\$	3,116,200
25	Laboratory services--68.0 FTE positions		6,554,900
26	Municipal assistance--35.5 FTE positions		5,116,600
27	Pollution prevention and technical assistance--53.0		



1	FTE positions.....	4,931,300
2	Pollution prevention outreach	300,000
3	Retired engineers technical assistance program	1,474,300
4	Revitalization revolving loan program	<u>1,000,000</u>
5	GROSS APPROPRIATION	\$ 22,493,300
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDT, laboratory services	3,367,000
9	Federal revenues:	
10	DOC-NOAA, federal	333,200
11	EPA, brownfield cleanup revolving loan fund	1,000,000
12	EPA, multiple	3,260,000
13	Special revenue funds:	
14	Private funds	300,000
15	Air emissions fees	712,700
16	Clean Michigan initiative - administration	164,000
17	Environmental protection fund	64,700
18	Environmental response fund	625,300
19	Laboratory data quality recognition fund	15,400
20	Public water supply fees	237,300
21	Retired engineers technical assistance fund	1,474,300
22	Settlement funds	220,100
23	Stormwater permit fees	91,200
24	Strategic water quality initiatives fund	210,700
25	Waste reduction fee revenue	4,127,400
26	Wastewater operator training fees	164,500
27	Water analysis fees	3,121,900



1	Water pollution control revolving fund		2,282,100
2	State general fund/general purpose	\$	721,500
3	Sec. 105. OFFICE OF GEOLOGICAL SURVEY (RESOURCE		
4	CONSERVATION)		
5	Full-time equated classified positions	68.0	
6	Coal and sand dune management--3.0 FTE positions	\$	612,300
7	Metallic mine reclamation--1.0 FTE positions		69,400
8	Mineral wells management--3.0 FTE positions		231,200
9	Nonferrous metallic mining--2.0 FTE positions		200,000
10	Orphan well--2.0 FTE positions		2,029,600
11	Services to oil and gas--57.0 FTE positions		<u>7,035,300</u>
12	GROSS APPROPRIATION	\$	10,177,800
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	Federal revenues:		
16	DOI, federal		418,300
17	Special revenue funds:		
18	Metallic mining surveillance fee revenue		69,400
19	Mineral well regulatory fee revenue		231,200
20	Nonferrous metallic mineral surveillance		200,000
21	Oil and gas regulatory fund		6,922,600
22	Orphan well fund		2,029,600
23	Publication revenue		112,700
24	Sand extraction fee revenue		194,000
25	State general fund/general purpose	\$	0
26	Sec. 106. LAND AND WATER MANAGEMENT (RESOURCE		
27	CONSERVATION)		



1	Full-time equated classified positions	129.0	
2	Program direction--8.0 FTE positions		\$ 868,500
3	Field permitting and project assistance--72.0 FTE		
4	positions.....		6,887,800
5	Great Lakes shorelands--28.0 FTE positions		2,455,100
6	Water management--21.0 FTE positions		<u>2,538,800</u>
7	GROSS APPROPRIATION		\$ 12,750,200
8	Appropriated from:		
9	Interdepartmental grant revenues:		
10	IDG, Michigan transportation fund		908,100
11	Federal revenues:		
12	DHS, federal		935,500
13	DOC-NOAA, federal		1,389,700
14	EPA, multiple		967,100
15	Special revenue funds:		
16	Land and water permit fees		3,286,000
17	State general fund/general purpose		\$ 5,263,800
18	Sec. 107. REMEDIATION AND REDEVELOPMENT (RESOURCE		
19	CONSERVATION)		
20	Full-time equated classified positions	297.5	
21	Contaminated site investigation, cleanup, and		
22	revitalization--230.5 FTE positions		\$ 21,702,200
23	Federal cleanup project management--67.0 FTE positions		7,886,700
24	Emergency cleanup actions		4,000,000
25	Refined petroleum product cleanup program		57,000,000
26	Refined petroleum initial program		45,000,000
27	State cleanup 451		2,500,000



1	Superfund cleanup	4,000,000
2	Little Black Creek	35,000
3	White Lake, Muskegon County nutrient study	<u>36,000</u>
4	GROSS APPROPRIATION	\$ 142,159,900
5	Appropriated from:	
6	Federal revenues:	
7	DHHS, federal	4,500
8	DOD, federal	498,300
9	EPA, multiple	9,168,100
10	Special revenue funds:	
11	Private funds	150,000
12	Clean Michigan initiative - administration	2,251,600
13	Cleanup and redevelopment fund	13,307,300
14	Environmental protection fund	500,000
15	Environmental response fund	8,497,500
16	Landfill maintenance trust fund	52,100
17	Refined petroleum fund	106,319,000
18	Settlement funds	1,411,500
19	State general fund/general purpose	\$ 0
20	Sec. 108. WASTE AND HAZARDOUS MATERIALS (RESOURCE	
21	CONSERVATION, HEALTH)	
22	Full-time equated classified positions	183.5
23	Aboveground storage tank program--8.0 FTE positions ..	\$ 706,200
24	Hazardous waste management program--61.0 FTE positions	6,027,500
25	Low-level radioactive waste authority--2.0 FTE	
26	positions.....	770,200
27	Medical waste program	230,400



1	Radiological protection program--16.5 FTE positions ..	1,337,800
2	Scrap tire regulatory program--11.0 FTE positions	985,200
3	Solid waste management program--50.0 FTE positions ...	4,224,200
4	Underground storage tank program--35.0 FTE positions .	<u>4,292,200</u>
5	GROSS APPROPRIATION	\$ 18,573,700
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG-MDSP	690,100
9	Federal revenues:	
10	EPA, multiple	3,857,100
11	Special revenue funds:	
12	Aboveground storage tank fees	706,200
13	Environmental pollution prevention fund	1,777,100
14	Hazardous materials transportation permit fund	203,800
15	Medical waste emergency response fund	230,400
16	Public utility assessments	770,200
17	Scrap tire regulatory fund	985,200
18	Solid waste program fees	4,155,200
19	Underground storage tank fees	4,039,200
20	Waste reduction fee revenue	69,000
21	State general fund/general purpose	\$ 1,090,200
22	Sec. 109. WATER (RESOURCE CONSERVATION, HEALTH)	
23	Full-time equated classified positions	362.2
24	Aquifer protection program	\$ 350,000
25	Aquifer protection and dispute resolution - IDG to	
26	Michigan Department of Agriculture	50,000
27	Drinking water and environmental health--114.2 FTE	



1	positions.....	16,052,700
2	Fish contaminant monitoring	316,100
3	Groundwater discharge--22.0 FTE positions	1,967,600
4	NPDES nonstormwater program--121.4 FTE positions	10,186,000
5	Sewage sludge land application program--6.5 FTE	
6	positions.....	800,000
7	Surface water--98.1 FTE positions	<u>15,281,200</u>
8	GROSS APPROPRIATION	\$ 45,003,600
9	Appropriated from:	
10	Federal revenues:	
11	EPA, multiple	18,456,300
12	Special revenue funds:	
13	Aquifer protection revolving fund	400,000
14	Campground fund	224,400
15	Clean Michigan initiative - administration	574,300
16	Clean Michigan initiative - clean water fund	3,187,100
17	Environmental response fund	158,000
18	Fees and collections	135,800
19	Groundwater discharge permit fees	1,836,900
20	Land and water permit fees	454,500
21	Manufactured housing commission fees	633,300
22	NPDES fees	3,118,100
23	Public swimming pool fund	510,700
24	Public water supply fees	2,167,900
25	Refined petroleum fund	825,700
26	Saginaw bay and river restoration revenue	165,300
27	Septage waste contingency fund	35,600



1	Septage waste license fees	545,400
2	Sewage sludge land application fee	800,000
3	Soil erosion and sedimentation control training fund .	108,300
4	Stormwater permit fees	2,555,700
5	Water pollution control revolving fund	631,400
6	Water use reporting fees	129,700
7	State general fund/general purpose	\$ 7,349,200
8	Sec. 110. CRIMINAL INVESTIGATIONS (RESOURCE	
9	CONSERVATION)	
10	Full-time equated classified positions	22.0
11	Environmental investigations--22.0 FTE positions	\$ <u>2,417,800</u>
12	GROSS APPROPRIATION	\$ 2,417,800
13	Appropriated from:	
14	Federal revenues:	
15	DHS, federal	520,300
16	EPA, multiple	143,800
17	Special revenue funds:	
18	Environmental response fund	123,600
19	Oil and gas regulatory fund	339,200
20	Scrap tire regulatory fund	266,100
21	State general fund/general purpose	\$ 1,024,800
22	Sec. 111. GRANTS (RESOURCE CONSERVATION, HEALTH)	
23	Coastal management grants	\$ 2,000,000
24	Federal - Great Lakes remedial action plan grants	700,000
25	Federal - nonpoint source water pollution grants	6,500,000
26	Grants to counties--air pollution	83,700
27	Radon grants	90,000



1	Water pollution control and drinking water revolving	
2	fund.....	113,053,500
3	Drinking water revolving fund implementation	1,330,000
4	Great Lakes research and protection grants	2,000,000
5	Household hazardous waste collection program	100,000
6	Local health department operations	10,472,500
7	Noncommunity water grants	1,400,000
8	Pollution prevention local grants	250,000
9	Real-time water quality monitoring	250,000
10	Septage waste compliance grants	1,525,000
11	Scrap tire grants	4,500,000
12	Volunteer river, stream, and creek cleanup	<u>25,000</u>
13	GROSS APPROPRIATION	\$ 144,279,700
14	Appropriated from:	
15	Interdepartmental grant revenues	
16	IDG-MDCH, local public health operations	10,472,500
17	Federal revenues:	
18	DOC-NOAA, federal	1,700,000
19	EPA, multiple	93,920,000
20	Special revenue funds:	
21	Clean Michigan initiative - pollution prevention	
22	activities.....	100,000
23	Community pollution prevention fund	250,000
24	Great Lakes protection fund	2,000,000
25	Public water supply fees	1,400,000
26	Refined petroleum fund	83,700
27	Revolving loan revenue bonds	11,400,000



1	Scrap tire regulatory fund	4,500,000
2	Septage waste license fees	1,525,000
3	Settlement funds	250,000
4	Strategic water quality initiatives fund	9,800,000
5	Water quality protection fund	25,000
6	State general fund/general purpose	\$ 6,853,500
7	Sec. 112. INFORMATION TECHNOLOGY (RESOURCE	
8	CONSERVATION)	
9	Information technology services and projects	\$ <u>6,607,700</u>
10	GROSS APPROPRIATION	\$ 6,607,700
11	Appropriated from:	
12	Interdepartmental grant revenues	
13	IDG, Michigan transportation fund	51,300
14	Federal revenues:	
15	DHS, federal	17,300
16	DOC-NOAA, federal	83,300
17	DOD, federal	9,900
18	DOI, federal	5,800
19	EPA, multiple	1,402,300
20	Special revenue funds:	
21	Air emissions fees	498,900
22	Cleanup and redevelopment fund	1,098,900
23	Environmental response fund	516,800
24	Land and water permit fees	109,400
25	Oil and gas regulatory fund	675,500
26	Public utility assessments	4,200
27	Public water supply fees	271,900



1	Scrap tire regulatory fund	83,400
2	Settlement funds	511,600
3	Solid waste program fees	61,500
4	Underground storage tank fees	178,200
5	Waste reduction fee revenue	215,800
6	Water analysis fees	159,300
7	Water pollution control revolving fund	136,700
8	State general fund/general purpose \$	515,700

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 2005-2006 is \$292,723,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$6,288,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY

WASTE AND HAZARDOUS MATERIALS

Radiological protection program..... \$ 25,000

GRANTS

Drinking water grants..... \$ 1,330,000

Grants to counties - air pollution..... 83,700

Household hazardous waste collection program 100,000



1	Noncommunity water grants	1,400,000
2	Real-time water quality monitoring	250,000
3	Scrap tire grants	1,575,000
4	Septage waste compliance program	<u>1,525,000</u>
5	TOTAL..... \$	6,288,700

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

9 Sec. 203. As used in this article:

10 (a) "CESARS" means chemical evaluation search and retrieval
11 system.

12 (b) "Department" means the department of environmental
13 quality.

14 (c) "DHS" means the United States department of homeland
15 security.

16 (d) "DHHS" means the United States department of health and
17 human services.

18 (e) "DOC" means the United States department of commerce.

19 (f) "DOC-NOAA" means the DOC national oceanic and atmospheric
20 administration.

21 (g) "DOD" means the United States department of defense.

22 (h) "DOI" means the United States department of interior.

23 (i) "EPA" means the United States environmental protection
24 agency.

25 (j) "FTE" means full-time equated.

26 (k) "IDG" means interdepartmental grant.

27 (l) "IDT" means intradepartmental transfer.



1 (m) "MDCH" means the Michigan department of community health.

2 (n) "MDSP" means the Michigan department of state police.

3 (o) "MI" means Michigan.

4 (p) "NPDES" means national pollutant discharge elimination
5 system.

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

11 Sec. 205. (1) A hiring freeze is imposed on the state
12 classified civil service. State departments and agencies are
13 prohibited from hiring any new full-time state classified civil
14 service employees and prohibited from filling any vacant state
15 classified civil service positions. This hiring freeze does not
16 apply to internal transfers of classified employees from 1 position
17 to another within a department.

18 (2) The state budget director shall grant exceptions to the
19 hiring freeze described in subsection (1) when the state budget
20 director believes that the hiring freeze will result in rendering a
21 state department or agency unable to deliver basic services, cause
22 a loss of revenue to the state, result in the inability of the
23 state to receive federal funds, or would necessitate additional
24 expenditures that exceed any savings from maintaining a vacancy.
25 The state budget director shall report quarterly to the
26 chairpersons of the senate and house of representatives standing
27 committees on appropriations the number of exceptions to the hiring



1 freeze approved during the previous quarter and the reasons to
2 justify the exception.

3 Sec. 206. The department shall use the Internet to fulfill the
4 reporting requirements of this article. This may include
5 transmission of reports via electronic mail to the recipients
6 identified for each reporting requirement or it may include
7 placement of reports on an Internet or Intranet site.

8 Sec. 207. The departments and state agencies receiving
9 appropriations under this article shall receive and retain copies
10 of all reports funded from appropriations in part 1. These
11 departments and state agencies shall follow federal and state
12 guidelines for short-term and long-term retention of these reports.
13 To the extent consistent with federal and state guidelines, the
14 requirements of this section are satisfied if the reports funded
15 from appropriations in part 1 are retained in electronic format.

16 Sec. 208. By February 15, 2006, the department shall provide
17 the state budget director, the subcommittees on natural resources
18 and environmental quality of the senate and house appropriations
19 committees, and the senate and house fiscal agencies with an annual
20 report on restricted fund balances, projected revenues, and
21 expenditures for the fiscal years ending September 30, 2005 and
22 September 30, 2006.

23 Sec. 209. (1) From funds appropriated under part 1, the
24 department shall prepare a report that lists all of the following
25 regarding grant or loan or grant and loan programs administered by
26 the department for the fiscal year ending September 30, 2006:

27 (a) The name of each program.



1 (b) The goals of the program, the criteria, eligibility,
2 process, filing fees, nominating procedures, and deadlines for each
3 program.

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

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

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

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

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

15 (h) A listing of all recipients of grants or loans awarded by
16 the department by type and amount of grant or loan.

17 (2) The reports required under this section shall be submitted
18 to the state budget office, the senate and house appropriations
19 committees, and senate and house fiscal agencies by January 1,
20 2006.

21 Sec. 210. The department shall notify the legislature and
22 shall provide a public meeting and public comment opportunity with
23 respect to any request received by the state of Michigan to divert
24 water from the Great Lakes pursuant to the water resources
25 development act of 1986, Public Law 99-662, 100 Stat. 4082.

26 Sec. 211. (1) The department shall report all of the following
27 information relative to allocations made from appropriations for



1 the environmental cleanup and redevelopment program, state cleanup,
2 emergency actions, superfund cleanup, the revitalization revolving
3 loan program, the brownfield grants and loans program, the leaking
4 underground storage tank cleanup program, the contaminated lake and
5 river sediments cleanup program, and the environmental protection
6 bond projects under section 19508(7) of the natural resources and
7 environmental protection act, 1994 PA 451, MCL 324.19508, to the
8 state budget director, the senate and house appropriations
9 subcommittees on environmental quality, and the senate and house
10 fiscal agencies:

11 (a) The name and location of the site for which an allocation
12 is made.

13 (b) The nature of the problem encountered at the site.

14 (c) A brief description of how the problem will be resolved if
15 the allocation is made for a response activity.

16 (d) The estimated date that site closure activities will be
17 completed.

18 (e) The amount of the allocation, or the anticipated financing
19 for the site.

20 (f) A summary of the sites and the total amount of funds
21 expended at the sites at the conclusion of the fiscal year.

22 (g) The number of sites that would qualify as brownfields that
23 were redeveloped.

24 (2) The report prepared under subsection (1) shall also
25 include all of the following:

26 (a) The status of all state-owned facilities that are on the
27 list compiled under part 201 of the natural resources and



1 environmental protection act, 1994 PA 451, MCL 324.20101 to
2 324.20142.

3 (b) The report shall include the total amount of funds
4 expended during the fiscal year and the total amount of funds
5 awaiting expenditure.

6 (c) The total amount of bonds issued for the environmental
7 protection bond program pursuant to part 193 of the natural
8 resources and environmental protection act, 1994 PA 451, MCL
9 324.19301 to 324.19306, and bonds issued pursuant to the clean
10 Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

11 (3) The report shall be made available by March 31 of each
12 year.

13 Sec. 212. (1) The department of environmental quality is
14 authorized to expend amounts remaining from the current and prior
15 fiscal year appropriations to meet funding needs of legislatively
16 approved sites for the environmental cleanup and redevelopment
17 program and the leaking underground storage tank cleanup program.

18 (2) Unexpended and unencumbered amounts remaining from
19 appropriations from the environmental protection bond fund
20 contained in 2003 PA 173, are appropriated for expenditure for any
21 site listed in this article and any site listed in the public acts
22 referenced in this section.

23 (3) Unexpended and unencumbered amounts remaining from
24 appropriations from the cleanup and redevelopment fund and
25 unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA
26 173, 2003 PA 237, and 2004 PA 350 are appropriated for expenditure
27 for any site listed in this article and any site listed in the



1 public acts referenced in this section.

2 (4) Unexpended and unencumbered amounts remaining from
3 appropriations from the clean Michigan initiative fund - response
4 activities contained in 2000 PA 52, 2001 PA 120, 2003 PA 173, 2003
5 PA 237, 2004 PA 309, 2004 PA 350, and 2005 PA 11 are appropriated
6 for expenditure for any site listed in this article and any site
7 listed in the public acts referenced in this section.

8 (5) Unexpended and unencumbered amounts remaining from
9 appropriations from the environmental protection fund contained in
10 2001 PA 43, 2002 PA 520, 2003 PA 171, and 2004 PA 350 are
11 appropriated for expenditure for any site listed in this article
12 and any site listed in the public acts referenced in this section.

13 Sec. 213. Of the money appropriated from the environmental
14 education fund in part 1, \$5,000.00 shall be allocated to Michigan
15 State University Extension Service - 4-H Youth Programs to fund the
16 Michigan Youth Conservation Council.

17 Sec. 214. From the funds appropriated in part 1 for
18 information technology, departments and agencies shall pay user
19 fees to the department of information technology for technology-
20 related services and projects. These user fees shall be subject to
21 provisions of an interagency agreement between the department and
22 the department of information technology.

23 Sec. 215. Amounts appropriated in part 1 for information
24 technology may be designated as work projects and carried forward
25 to support department of environmental quality technology projects
26 under the direction of the department of information technology.
27 Funds designated in this manner are not available for expenditure



1 until approved as work projects under section 451a of the
2 management and budget act, 1984 PA 431, MCL 18.1451a.

3 Sec. 216. (1) Due to the current budgetary problems in this
4 state, out-of-state travel for the fiscal year ending September 30,
5 2006 shall be limited to situations in which 1 or more of the
6 following conditions apply:

7 (a) The travel is required by legal mandate or court order or
8 for law enforcement purposes.

9 (b) The travel is necessary to protect the health or safety of
10 Michigan citizens or visitors or to assist other states in similar
11 circumstances.

12 (c) The travel is necessary to produce budgetary savings or to
13 increase state revenues, including protecting existing federal
14 funds or securing additional federal funds.

15 (d) The travel is necessary to comply with federal
16 requirements.

17 (e) The travel is necessary to secure specialized training for
18 staff that is not available within this state.

19 (f) The travel is financed entirely by federal or nonstate
20 funds.

21 (2) If out-of-state travel is necessary but does not meet 1 or
22 more of the conditions in subsection (1), the state budget director
23 may grant an exception to allow the travel. Any exceptions granted
24 by the state budget director shall be reported on a monthly basis
25 to the house and senate appropriations committees.

26 (3) Not later than January 1 of each year, each department
27 shall prepare a travel report listing all travel by classified and



1 unclassified employees outside this state in the immediately
2 preceding fiscal year that was funded in whole or in part with
3 funds appropriated in the department's budget. The report shall be
4 submitted to the chairs and members of the house and senate
5 appropriations committees, the fiscal agencies, and the state
6 budget director. The report shall include the following
7 information:

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

10 (b) The destination of each travel occurrence.

11 (c) The dates of each travel occurrence.

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

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

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

21 Sec. 217. Funds appropriated in part 1 shall not be used for
22 the purchase of foreign goods or services, or both, if
23 competitively priced and comparable quality American goods or
24 services, or both, are available. Preference should be given to
25 goods or services, or both, manufactured or provided by Michigan
26 businesses if they are competitively priced and of comparable
27 quality.



1 Sec. 218. The department shall collaborate with the statewide
2 public advisory council, local advisory councils, the United States
3 environmental protection agency, and other appropriate federal
4 agencies, the department of natural resources, and other
5 appropriate parties to develop a long-term strategy to restore and
6 formally remove Michigan's Great Lakes areas of concern from the
7 federal listing. Among other information, the strategy should
8 include a list of cleanup, source control, monitoring, and
9 assessment activities eligible for funding under the federal Great
10 Lakes legacy act; their estimated cost; options for meeting any
11 nonfederal funding match requirements for these activities,
12 including recommendations for changes to existing appropriations
13 and program expenditures to qualify as matching funds for federal
14 grant programs; a description of the optimum staffing level for the
15 areas of concern program and available funding options; and a
16 description of the department's role in seeking the formal removal
17 of areas of concern, or specific beneficial use impairments, from
18 the federal list, including minimum cleanup goals for identified
19 impairments based on applicable state and federal regulatory
20 standards and the monitoring programs available for assessing
21 progress in achieving those goals. In addition, the department
22 shall strive to apply for an equitable share of federal funding and
23 technical assistance available to support the area of concern
24 program and strive to provide the funds needed to meet nonfederal
25 funding requirements.

26 Sec. 219. The department shall not take disciplinary action
27 against an employee for communicating with a member of the



1 legislature or his or her staff.

2 Sec. 220. The department shall annually report to the state
3 budget director, the senate and house appropriations committees,
4 and the senate and house fiscal agencies an accounting of all civil
5 and criminal fine revenue collected during the year.

6 **AIR QUALITY**

7 Sec. 401. The department shall report quarterly, via the
8 department's Internet website, on air quality program expenditures
9 and revenues. The report shall include expenditures and revenues by
10 fund source and by program function.

11 **ENVIRONMENTAL SCIENCE AND SERVICES**

12 Sec. 501. By July 1, 2006, the department shall prepare and
13 submit a report to the state budget director, the legislature, the
14 chairs of the standing committees of the senate and house of
15 representatives with primary responsibility for issues related to
16 natural resources and the environment, and the chairs of the
17 subcommittees of the senate and house appropriations committees
18 with primary responsibility for appropriations for the department
19 of environmental quality, outlining the implementation of the Great
20 Lakes water quality bond provided for in part 197 of the natural
21 resources and environmental protection act, 1994 PA 451, MCL
22 324.19701 to 324.19708, including, but not limited to, the amount
23 of bonds issued and the date they were issued, the number of
24 applications received for loans from the state water pollution
25 control revolving fund created in section 16a of the shared credit



1 rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans
2 requested, a listing of the applicants receiving loans and the
3 total amount of loans provided to those applicants, a listing of
4 applicants whose loan applications were not approved and the
5 reasons why those applications were not approved, the amount of the
6 loans granted that were leveraged from bond proceeds, and the
7 remaining bond proceeds and bond authorization.

8 Sec. 502. Revenues remaining in the interdepartmental
9 transfers, laboratory services at the end of the fiscal year shall
10 carryforward into the succeeding fiscal year.

11 GEOLOGICAL AND LAND MANAGEMENT

12 Sec. 601. The department may waive permit fees for nonprofit
13 organizations conducting approved stream habitat improvement
14 projects.

15 REMEDICATION AND REDEVELOPMENT

16 Sec. 701. The unexpended funds appropriated in part 1 for
17 emergency cleanup actions are considered work project
18 appropriations and any unencumbered or unallotted funds are carried
19 forward into the succeeding fiscal year. The following is in
20 compliance with section 451a(1) of the management and budget act,
21 1984 PA 431, MCL 18.1451a:

22 (a) The purpose of the projects to be carried forward is to
23 provide contaminated site cleanup.

24 (b) The projects will be accomplished by contract.

25 (c) The total estimated cost of all projects is identified in



1 each line-item appropriation.

2 (d) The tentative completion date is September 30, 2010.

3 Sec. 702. (1) Of the funds appropriated in part 1 for the
4 refined petroleum product cleanup program, \$42,000,000.00 is
5 prohibited from expenditure until this program is established by
6 law following issuance of recommendations for a permanent cleanup
7 program from the refined petroleum cleanup advisory council.

8 (2) The appropriation in part 1 for the refined petroleum
9 product cleanup program shall be used to fund corrective actions on
10 the following sites:

11	Site Name	County
12	Phil's Sunoco	Alcona
13	Corner Store	Alger
14	Laughing Whitefish Trading Post	Alger
15	Midway General	Alger
16	Fennville Feed Supply	Allegan
17	Bellaire Bay Mart	Antrim
18	Butch's Tackle & Marine	Antrim
19	Lake Auto Clinic	Antrim
20	Pickup Capital of the North (former)	Antrim
21	Res. Wells Torch Lake Twp.	Antrim
22	Richard Godden	Antrim
23	Central Oil/Wild Bill's	Arenac
24	Roe Chevrolet	Arenac
25	Freeport Auto Service	Barry
26	State and Apple	Barry
27	Village of Woodland	Barry



1	Al's Mobil	Bay
2	Bill Kundinger	Bay
3	Maple's Grocery	Bay
4	Mel's Service	Bay
5	B & M Party Store	Benzie
6	Village of Honor Res. Wells	Benzie
7	Andy's Bakertown Grocery	Berrien
8	Berrien County Sheriff's Substation	Berrien
9	Cozy Corner General Store	Berrien
10	Frank's Pro Station	Berrien
11	Fredrick's Auto Clinic	Berrien
12	Gary's Union 76	Berrien
13	Main & Fair SW Corner	Berrien
14	Main & Oden NE Corner	Berrien
15	Nyes Shell Service	Berrien
16	Randy's Amoco	Berrien
17	Sandalic Grocery & Gas (former)	Berrien
18	Sterling Express Ltd	Berrien
19	K & H Tire and Alignment	Branch
20	Baker Oil-Dickman Road	Calhoun
21	Baker Oil-E. Michigan	Calhoun
22	Clark #767 (Marshall)	Calhoun
23	Clark #768 (Albion)	Calhoun
24	Clark Service Station #500	Calhoun
25	H. B. Sherman	Calhoun
26	Korner Krossroads Party Store	Calhoun
27	Dave's Repair	Cass

1	Herb's Auto Care	Cass
2	Service Mart 2, Union	Cass
3	Unocal 76, Edwardsburg (Energy Oil)	Cass
4	Cook Corporation	Cheboygan
5	Mr. Mug's Donut Shop	Chippewa
6	Park Shell Service	Chippewa
7	Ackels Car Care	Clinton
8	State Road Service	Clinton
9	Escanaba Schools Bus Garage #2	Delta
10	Stenberg Bros., Inc.	Delta
11	Bob's Marathon	Eaton
12	South End Mobil	Eaton
13	Farmers Petroleum Coop. Petoskey	Emmet
14	Central Distributing	Genesee
15	City of Flint Fire	
16	Department - 1818 N Saginaw Street	Genesee
17	City of Flint Fire	
18	Department - 702 W 12th Street	Genesee
19	Fisherman's Landing	Genesee
20	J & J Services	Genesee
21	Spartan Express	Genesee
22	Sunshine Foods #119	Genesee
23	Vienna Road Alleyway	Genesee
24	A and H Racing	Gladwin
25	Ackett's Country Corners	Gladwin
26	Bondale Dickens	Gladwin
27	Gazey & Aleck Station	Gladwin

1	Sportsmans Landing	Gladwin
2	4 Corners Finch Scamehorn	
3	UN 76 (former Finch's Amoco)	Grand Traverse
4	Evans Wallpaper & Paint	Grand Traverse
5	KD's Country Store	Gratiot
6	Pat's Service	Gratiot
7	Wilson's Grocery	Gratiot
8	Former Union 76	Hillsdale
9	Dunk's Garage	Huron
10	Engelhardt Petroleum, Inc.	Huron
11	Mouch's Auto Sales	Huron
12	Action Auto #23	Ingham
13	Former Clark #531	Ingham
14	Gene Carr	Ionia
15	Bublitz Oil	Iosco
16	Bublitz Oil - East Tawas Marathon	Iosco
17	Bublitz Oil - Tawas City	Iosco
18	Darrel's Maxi Muffler	Iosco
19	DNR - RED - Whittemore (Tax Reverted)	Iosco
20	Graham Oil Co. Bulk Plant	Iosco
21	Firstbank - Winn Branch	Isabella
22	Clark #501	Jackson
23	Dawn Donuts	Jackson
24	Joseph James Halm	Jackson
25	Alamo General Store	Kalamazoo
26	Beach Products	Kalamazoo
27	Bud's Auto Repair	Kalamazoo



1	Fulton Sunoco	Kalamazoo
2	Liberty Gas	Kalamazoo
3	McLeieer Oil Co. - 1718 E. Mich.	Kalamazoo
4	Starvation Lake General Store	Kalkaska
5	Fennema Trenching Inc.	Kent
6	Huck's Corners	Kent
7	Kountry Korner	Kent
8	Rockford Market	Kent
9	Uncle Lee's Trading Post	Kent
10	C & J Service (H. Jerry Powelka)	Lenawee
11	Clark Adrian	Lenawee
12	Lakeland Montessori School	Livingston
13	Leon Bonner Property	Livingston
14	Millie's Market	Livingston
15	The Pit	Livingston
16	Bob's Standard Service	Luce
17	C & V Grocery	Luce
18	Action Auto (former)	Macomb
19	D & D Jefferson Inc	Macomb
20	Ernst Gas & Oil	Macomb
21	Former Doyle's Auto Parts	Macomb
22	Montgomery Ward	Macomb
23	Sokana Mobil	Macomb
24	Warren Fire Station 1	Macomb
25	Warren Fire Station 2	Macomb
26	Warren Fire Station 3	Macomb
27	Warren Fire Station 5	Macomb

1	Warren Fire Station 6	Macomb
2	Greenwood Self Serve	Marquette
3	Harvey Mini 1	Marquette
4	Harvey Oil Co.	Marquette
5	Holiday Station - Negaunee	Marquette
6	Total Image Salon	Marquette
7	Joe's Tire/Ridderman Oil	Mecosta
8	RLJ Realty Co.	Midland
9	Dutch Hutch	Missaukee
10	Amble Oil Co.	Montcalm
11	Coral General Store	Montcalm
12	Edmore Mobil	Montcalm
13	Former Sports Center, Inc.	Montmorency
14	Joey's Service	Montmorency
15	Lowell Street (Homant Oil)	Montmorency
16	Mary D's	Montmorency
17	Wyson's General Store	Montmorency
18	Broton's Service	Muskegon
19	Laketon Auto Clinic	Muskegon
20	Meat Block	Muskegon
21	Reliable Truck & Crane	Muskegon
22	Grant Mini Mart	Newaygo
23	Up North Gift Co.	Newaygo
24	Wesco #14/Triangle Market	Newaygo
25	415 E. Hudson	Oakland
26	Clark #903	Oakland
27	Dandy Oil Inc	Oakland



1	DOC Optical	Oakland
2	Don & Stan's/Joe's Towing	Oakland
3	Emma Milner Property	Oakland
4	Farmer's Petroleum Cooperation	Oakland
5	Former Wayne - Oakland Oil Company	Oakland
6	Winebasket Mkt./Jenny Ent.	Oakland
7	East Hart Party Store	Oceana
8	William Crawford Property	Oceana
9	Franklin Forge	Ogemaw
10	Rose City Feed & Tack	Ogemaw
11	Ontonagon Mobil Mart	Ontonagon
12	Andy's Standard Service	Osceola
13	LeRoy Garage	Osceola
14	Ralph's Marathon	Osceola
15	Don's Marathon	Oscoda
16	Family Book Shelve	Oscoda
17	Jamestown Garage	Ottawa
18	Radio Tavern & Grocery	Presque Isle
19	Charlie's Place	Roscommon
20	Albee Marathon	Saginaw
21	Chapin General Store	Saginaw
22	Janes Street, 2984	Saginaw
23	Janes Street, 3035	Saginaw
24	Kucher's Service	Saginaw
25	Stanley Hill	Saginaw
26	Amoco Group	Sanilac
27	Former Gas Station - 104 W. Grand River	Shiawassee

1	Save-U Station (former)	Shiawassee
2	Anady Property	St. Clair
3	Former Gulf Station	St. Clair
4	Payless SuperAmerica	St. Joseph
5	Former Clark #1586	Tuscola
6	Former Gagetown Gas & Oil Total	Tuscola
7	Mr. C's Service	Tuscola
8	Salmo Property	Tuscola
9	Broekhutzen Produce	Van Buren
10	Lakeside Kwik Stop	Van Buren
11	Pullman Industries	Van Buren
12	Arbor Wash	Washtenaw
13	Fmr. Clark	Washtenaw
14	Jimmie's Filling Station	Washtenaw
15	Lloyd Cochran	Washtenaw
16	Marathon (Gillespie)	Washtenaw
17	S & S Auto	Washtenaw
18	Total #2542 (former)	Washtenaw
19	7 Mile & I-75 Petro Mart	Wayne
20	8 Mile & Gratiot	Wayne
21	Cal's Car Care, Inc.	Wayne
22	City of Detroit - DOT - 14044 Schaefer	Wayne
23	City of Detroit - DOT - 5600 Wabash St.	Wayne
24	City of Detroit - DOT - 5800 Russell St.	Wayne
25	Hail Investments Inc.	Wayne
26	Independent Transmission	Wayne
27	JJ Curran Crane	Wayne



1	Levan Party Store	Wayne
2	Master Petroleum	Wayne
3	Mercury Manufacturing	Wayne
4	Micks Auto	Wayne
5	Reclamation Co.	Wayne
6	Shoemaker 11031	Wayne
7	St. Claire Service, Inc.	Wayne
8	Titan Finishes	Wayne
9	Titan Heating	Wayne
10	US Equipment	Wayne
11	Wise Automotive	Wayne

12 Sec. 703. The appropriation in part 1 for refined petroleum
 13 initial program shall be spent according to the recommendations of
 14 the refined petroleum cleanup advisory council issued on July 7,
 15 2005 for owner/operator reimbursement for cleanup activities, up to
 16 \$50,000.00 per site.

17 Sec. 704. From funds appropriated in part 1 for activities
 18 related to cleanup sites under part 201 of the natural resources
 19 and environmental protection act, 1994 PA 451, MCL 324.20101 to
 20 324.20142, the department shall incorporate into remedial action
 21 plans area-wide or site-specific cleanup criteria derived from
 22 peer-reviewed risk assessment based on bioavailability studies,
 23 site-specific human exposure data, and any other scientifically
 24 based risk assessment studies that are available and relevant.

25 **WASTE AND HAZARDOUS MATERIALS**

26 Sec. 801. The department shall notify the members of the



1 senate and house of representatives of the appropriate district at
2 least 48 hours in advance of a departmental order which suspends or
3 red tags any wholesale or retail sale of petroleum products. If
4 imminent public health and safety concerns require action on a
5 department order in less than 48 hours, the department shall notify
6 the appropriate members of the senate and house of representatives
7 of the department order within 48 hours after the action is
8 completed.

9 Sec. 802. The department shall annually provide a report to
10 the city of Romulus, city of Taylor, and Wayne County containing
11 all of the following:

12 (a) Information concerning the release or discharge of any
13 hazardous waste or hazardous waste constituent that may endanger
14 public drinking water supplies or the environment.

15 (b) Information concerning the fire, explosion, or other
16 release or discharge of any hazardous waste or hazardous waste
17 constituent that could threaten human health or the environment or
18 a spill that has reached surface water or groundwater.

19 (c) A summary of groundwater quality data, data graphs, data
20 tables, statistical analyses to date, and identification of any
21 statistically significant increases.

22 (d) With respect to the information described in subdivisions
23 (a) to (c), a description of any noncompliance and its cause; the
24 periods of noncompliance, including exact dates and times; whether
25 the noncompliance has been corrected and, if not, the anticipated
26 time it is expected to continue; and steps taken or planned to
27 reduce, eliminate, and prevent recurrence of the noncompliance and



1 when those activities occurred or will occur.

2 **WATER**

3 Sec. 901. By February 1, 2006, the department shall submit a
4 report on the department's use of the national pollutant discharge
5 elimination system fund created in MCL 324.3121 for the previous
6 fiscal year, to the senate and house appropriations subcommittees
7 on environmental quality and natural resources, the standing
8 committees of the legislature with jurisdiction over issues
9 primarily related to natural resources and the environment, and the
10 senate and house fiscal agencies. The report shall include a
11 summary of how the appropriations in part 1 for NPDES nonstormwater
12 program were used for the various permissible uses of the fund and
13 shall include specific information on all of the following:

14 (a) The number of compliance and complaint inspections
15 completed, by category, the number of on-site compliance
16 inspections conducted, and the number of compliance inspections
17 that were not announced in advance to the permittee or licensee.

18 (b) The number and percent of permit and license inspections
19 that were found to be in significant noncompliance, by category.

20 (c) The number of administrative enforcement actions taken for
21 permit or license violations and the results of the enforcement
22 actions, including the amount of fines and penalties collected.

23 (d) The number of judicial enforcement actions taken for
24 permit or license violations and the results of the enforcement
25 actions, including the amount of fines and penalties collected.

26 (e) A listing of the supplemental environmental projects



1 agreed to as a result of a consent agreement including all of the
2 following: the case name, the monetary value of the supplemental
3 environmental project, and a description of the project.

4 Sec. 902. Of the funds appropriated in part 1 for safe
5 drinking water assistance activities under part 54 of the natural
6 resources and environmental protection act, 1994 PA 451, MCL
7 324.5401 to 324.5418, the department shall allocate the full 2%
8 available for technical assistance under 42 USC 300j-12.

9 Sec. 903. Except as provided under part 317 of the natural
10 resources and environmental protection act, 1994 PA 451, MCL
11 324.31701 to 324.31713, or 2003 PA 148, the department shall not
12 draft, develop, or implement administrative rules, policies,
13 guidelines, or procedures that regulate, permit, monitor, or
14 otherwise control the quantity of groundwater use.

15 **CRIMINAL INVESTIGATIONS**

16 Sec. 1001. From funds appropriated in part 1, the department
17 shall conduct periodic inspections of imported solid waste at
18 disposal facilities to mitigate the unpermitted disposal of waste
19 at Michigan disposal sites.

20 **GRANTS**

21 Sec. 1101. If a certified health department does not exist in
22 a city, county, or district or does not fulfill its
23 responsibilities under part 117 of the natural resources and
24 environmental protection act, 1994 PA 451, MCL 324.11701 to
25 324.11720, then the department may spend funds appropriated in part



1 1 under the septage waste compliance program in accordance with
2 section 11716 of the natural resources and environmental protection
3 act, 1994 PA 451, MCL 324.11716.

4 Sec. 1102. Of the funds appropriated in part 1 for scrap tire
5 grants, \$100,000.00 shall be available for grants to communities to
6 cover scrap tire fire suppression costs, provided owner liability
7 bonds and other available funding sources have been exhausted.

8 Sec. 1103. The appropriation in part 1 for a real-time water
9 quality monitoring grant is a grant to Macomb County and St. Clair
10 County to support a real-time water quality monitoring program in
11 the St. Clair watershed. By September 30, 2006, grant recipients
12 shall report to the department on the plan, implementation, and
13 status of the project. The department shall forward the report to
14 the state budget director, the senate and house appropriations
15 subcommittees on environmental quality, the senate and house
16 standing committees on natural resources and environmental issues,
17 and the senate and house fiscal agencies.

18

ARTICLE 8

19

HIGHER EDUCATION

20

PART 1

21

LINE-ITEM APPROPRIATIONS

22

23

24

25

Sec. 101. Subject to the conditions set forth in this article,
the amounts listed in this part are appropriated for higher
education for the fiscal year ending September 30, 2006, from the
funds indicated in this part. The following is a summary of the



1	appropriations in this part:		
2	HIGHER EDUCATION		
3	APPROPRIATION SUMMARY:		
4	Full-time equated classified positions	1.0	
5	GROSS APPROPRIATION		\$ 1,733,943,900
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers.....		0
9	ADJUSTED GROSS APPROPRIATION		\$ 1,733,943,900
10	Federal revenues:		
11	Total federal revenues		3,500,000
12	Special revenue funds:		
13	Total local revenues		0
14	Total private revenues		0
15	Total other state restricted revenues		153,500,000
16	State general fund/general purpose		\$ 1,576,943,900
17	Sec. 102. CENTRAL MICHIGAN UNIVERSITY (PREPARED FOR		
18	JOBS)		
19	Operations		\$ <u>80,061,900</u>
20	GROSS APPROPRIATION		\$ 80,061,900
21	Appropriated from:		
22	Special revenue funds:		
23	Michigan merit award trust fund		538,440
24	State general fund/general purpose		\$ 79,523,460
25	Sec. 103. EASTERN MICHIGAN UNIVERSITY (PREPARED FOR		
26	JOBS)		
27	Operations		\$ <u>76,140,600</u>



1	GROSS APPROPRIATION	\$	76,140,600
2	Appropriated from:		
3	State general fund/general purpose	\$	76,140,600
4	Sec. 104. FERRIS STATE UNIVERSITY (PREPARED FOR		
5	JOBS)		
6	Operations	\$	<u>48,634,700</u>
7	GROSS APPROPRIATION	\$	48,634,700
8	Appropriated from:		
9	State general fund/general purpose	\$	48,634,700
10	Sec. 105. GRAND VALLEY STATE UNIVERSITY (PREPARED		
11	FOR JOBS)		
12	Operations	\$	<u>61,129,900</u>
13	GROSS APPROPRIATION	\$	61,129,900
14	Appropriated from:		
15	Special revenue funds:		
16	Michigan merit award trust fund		5,000,000
17	State general fund/general purpose	\$	56,129,900
18	Sec. 106. LAKE SUPERIOR STATE UNIVERSITY (PREPARED		
19	FOR JOBS)		
20	Operations	\$	<u>12,506,300</u>
21	GROSS APPROPRIATION	\$	12,506,300
22	Appropriated from:		
23	State general fund/general purpose	\$	12,506,300
24	Sec. 107. MICHIGAN STATE UNIVERSITY (PREPARED FOR		
25	JOBS, THRIVING ECONOMY)		
26	Operations	\$	283,730,300
27	Agricultural experiment station		33,163,800



1	Cooperative extension service		<u>28,604,300</u>
2	GROSS APPROPRIATION	\$	345,498,400
3	Appropriated from:		
4	State general fund/general purpose	\$	345,498,400
5	Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY		
6	(PREPARED FOR JOBS)		
7	Operations	\$	<u>48,018,800</u>
8	GROSS APPROPRIATION	\$	48,018,800
9	Appropriated from:		
10	State general fund/general purpose	\$	48,018,800
11	Sec. 109. NORTHERN MICHIGAN UNIVERSITY (PREPARED		
12	FOR JOBS)		
13	Operations	\$	<u>45,051,600</u>
14	GROSS APPROPRIATION	\$	45,051,600
15	Appropriated from:		
16	State general fund/general purpose	\$	45,051,600
17	Sec. 110. OAKLAND UNIVERSITY (PREPARED FOR JOBS)		
18	Operations	\$	<u>50,685,700</u>
19	GROSS APPROPRIATION	\$	50,685,700
20	Appropriated from:		
21	Special revenue funds:		
22	Michigan merit award trust fund		1,941,768
23	State general fund/general purpose	\$	48,743,932
24	Sec. 111. SAGINAW VALLEY STATE UNIVERSITY (PREPARED		
25	FOR JOBS)		
26	Operations	\$	<u>27,499,800</u>
27	GROSS APPROPRIATION	\$	27,499,800



1	Appropriated from:		
2	Special revenue funds:		
3	Michigan merit award trust fund		2,019,792
4	State general fund/general purpose	\$	25,480,008
5	Sec. 112. UNIVERSITY OF MICHIGAN - ANN ARBOR		
6	(PREPARED FOR JOBS)		
7	Operations	\$	<u>316,368,500</u>
8	GROSS APPROPRIATION	\$	316,368,500
9	Appropriated from:		
10	State general fund/general purpose	\$	316,368,500
11	Sec. 113. UNIVERSITY OF MICHIGAN - DEARBORN		
12	(PREPARED FOR JOBS)		
13	Operations	\$	<u>24,739,200</u>
14	GROSS APPROPRIATION	\$	24,739,200
15	Appropriated from:		
16	State general fund/general purpose	\$	24,739,200
17	Sec. 114. UNIVERSITY OF MICHIGAN - FLINT (PREPARED		
18	FOR JOBS)		
19	Operations	\$	<u>20,903,100</u>
20	GROSS APPROPRIATION	\$	20,903,100
21	Appropriated from:		
22	State general fund/general purpose	\$	20,903,100
23	Sec. 115. WAYNE STATE UNIVERSITY (PREPARED FOR		
24	JOBS)		
25	Operations	\$	<u>214,666,300</u>
26	GROSS APPROPRIATION	\$	214,666,300
27	Appropriated from:		



1	State general fund/general purpose	\$	214,666,300
2	Sec. 116. WESTERN MICHIGAN UNIVERSITY (PREPARED FOR		
3	JOBS)		
4	Operations	\$	<u>109,695,200</u>
5	GROSS APPROPRIATION	\$	109,695,200
6	Appropriated from:		
7	State general fund/general purpose	\$	109,695,200
8	Sec. 117. STATE AND REGIONAL PROGRAMS (PREPARED FOR		
9	JOBS)		
10	Full-time equated positions		1.0
11	Higher education database modernization and		
12	conversion--1.0 FTE positions	\$	200,000
13	Midwestern higher education compact		<u>90,000</u>
14	GROSS APPROPRIATION	\$	290,000
15	Appropriated from:		
16	State general fund/general purpose	\$	290,000
17	Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ -		
18	ROSA PARKS PROGRAM (PREPARED FOR JOBS)		
19	Select student supportive services	\$	1,956,100
20	Michigan college/university partnership program		586,800
21	Morris Hood, Jr. educator development program		<u>148,600</u>
22	GROSS APPROPRIATION	\$	2,691,500
23	Appropriated from:		
24	State general fund/general purpose	\$	2,691,500
25	Sec. 119. GRANTS AND FINANCIAL AID (PREPARED FOR		
26	JOBS)		
27	State competitive scholarships	\$	34,630,500



1	Tuition grants	58,768,100
2	Michigan work-study program	7,326,300
3	Part-time independent student program	2,653,300
4	Michigan education opportunity grants	2,084,200
5	Robert C. Byrd honors scholarship program	1,500,000
6	Nursing scholarship and grant programs	4,000,000
7	Michigan merit award program	126,400,000
8	Tuition incentive program	<u>12,000,000</u>
9	GROSS APPROPRIATION	\$ 249,362,400
10	Appropriated from:	
11	Federal revenues:	
12	Higher education act of 1965, title IV, 20 USC	2,000,000
13	Higher education act of 1965, title IV, part A	1,500,000
14	Special revenue funds:	
15	Michigan merit award trust fund	137,000,000
16	Michigan higher education assistance authority	
17	operating fund.....	3,000,000
18	Tuition grant carryforward	4,000,000
19	State general fund/general purpose	\$ 101,862,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

23 Sec. 201. Pursuant to section 30 of article IX of the state
 24 constitution of 1963, total state spending from state resources
 25 under part 1 for fiscal year 2005-2006 is \$1,730,443,900.00 and



1 state spending from state resources to be paid to local units of
 2 government for fiscal year 2005-2006 is \$3,759,100.00. The itemized
 3 statement below identifies the estimated appropriations from which
 4 spending to local units of government will occur:

5	Part-time independent student program	\$	1,255,700
6	Michigan education opportunity grant		932,900
7	Michigan work-study		<u>1,570,500</u>
8	TOTAL	\$	3,759,100

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

12 Sec. 208. Unless otherwise specified, the institutions of
 13 higher education receiving appropriations in part 1 shall use the
 14 Internet to fulfill the reporting requirements of this article.
 15 This requirement may include transmission of reports via electronic
 16 mail to the recipients identified for each reporting requirement,
 17 or it may include placement of reports on an Internet or Intranet
 18 site.

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

26 Sec. 212. (1) The funds appropriated in part 1 to state
 27 institutions of higher education shall be paid out of the state



1 treasury and distributed by the state treasurer to the respective
2 institutions in 11 monthly installments on the sixteenth of each
3 month, or the next succeeding business day, beginning with October
4 16, 2005. Except for Wayne State University, each institution shall
5 accrue its July and August 2006 payments to its institutional
6 fiscal year ending June 30, 2006. The monthly payments to each
7 state university for operations for July and August 2006 shall be
8 paid pursuant to section 418(6). The remaining 9 monthly payments
9 to each state university for operations shall be made in equal
10 installments. The appropriations in part 1 for the agriculture
11 experiment station and cooperative extension service shall be paid
12 in 11 equal monthly installments.

13 (2) All universities shall submit higher education
14 institutional data inventory (HEIDI) data and associated financial
15 and program information requested by and in a manner prescribed by
16 the state budget director. For universities with fiscal years
17 ending June 30, 2005, these data shall be submitted to the state
18 budget director by October 15, 2005. Universities with a fiscal
19 year ending September 30, 2005 shall submit preliminary HEIDI data
20 by November 15, 2005 and final data by December 15, 2005. If a
21 university fails to submit HEIDI data and associated financial aid
22 program information in accordance with this reporting schedule, the
23 state treasurer shall withhold the monthly installments under
24 subsection (1) to the university until those data are submitted.

25 (3) A detailed description of procedures utilized to arrive at
26 the amounts appropriated in part 1 shall be submitted to each
27 institution by the senate and house fiscal agencies.



1 Sec. 213. Funds received by the state from the federal
2 government or private sources for the use of a college or
3 university are appropriated for the purposes for which they are
4 provided. The acceptance and use of federal or private funds do not
5 place an obligation upon the legislature to continue the purposes
6 for which the funds are made available.

7 Sec. 214. If section 274 of the income tax act of 1967, 1967
8 PA 281, MCL 206.274, is not repealed and if a state institution of
9 higher education that receives funds under this article notifies
10 the department of treasury regarding its tuition and fee rates in
11 order to qualify as an eligible institution for the Michigan
12 tuition tax credit under section 274 of the income tax act of 1967,
13 1967 PA 281, MCL 206.274, the institution shall also submit the
14 notification and applicable documentation of tuition and fee
15 changes to the house and senate fiscal agencies.

16 Sec. 215. A state institution of higher education that
17 receives funds under this article shall furnish all program and
18 financial information that is required by and in a manner
19 prescribed by the state budget director or the house or senate
20 appropriations committee.

21 GRANTS AND FINANCIAL AID

22 Sec. 301. (1) Payments of the amounts included in part 1 for
23 the state competitive scholarship program shall be distributed
24 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

25 (2) The Michigan higher education assistance authority shall
26 implement a proportional competitive scholarship maximum award



1 level for recipients enrolled less than full-time in a given
2 semester or term.

3 (3) If a student who receives an award under this section has
4 his or her tuition and fees paid under the Michigan educational
5 trust program, pursuant to the Michigan education trust act, 1986
6 PA 316, MCL 390.1421 to 390.1444, and still has financial need, the
7 funds awarded under this section may be used for educational
8 expenses other than tuition and fees.

9 (4) If the Michigan higher education assistance authority
10 increases the maximum award per eligible student from that provided
11 in the previous fiscal year, it shall not have the effect of
12 reducing the number of eligible students receiving awards in
13 relation to the total number of eligible applicants. Any increase
14 in the maximum grant shall be proportional for all eligible
15 students receiving awards.

16 (5) Students who receive aid under 1964 PA 208, MCL 390.971 to
17 390.981, shall be awarded scholarships on the basis of merit and
18 financial need. Veterans administration benefits shall not be
19 considered in determining eligibility under 1964 PA 208, MCL
20 390.971 to 390.981.

21 Sec. 302. (1) The amounts appropriated in part 1 for the state
22 tuition grant program shall be distributed pursuant to 1966 PA 313,
23 MCL 390.991 to 390.997a.

24 (2) Tuition grant awards shall be made to all eligible
25 Michigan residents who apply before July 15, 2005 and who are
26 qualified. The application deadline will be July 1, 2006 for fiscal
27 year 2006-2007 tuition grant awards and June 15, 2007 for fiscal



1 year 2007-2008 tuition grant awards. Tuition grant awards shall not
2 be made to students newly enrolled in a juris doctor law degree
3 program after the 1995-1996 academic year.

4 (3) The Michigan higher education assistance authority shall
5 determine an actual maximum tuition grant award per student, which
6 shall be no less than \$2,000.00, that ensures that the aggregate
7 payments for the tuition grant program do not exceed the
8 appropriation contained in part 1 for the state tuition grant
9 program. If the authority determines that insufficient funds are
10 available to establish a maximum award amount of \$2,000.00, the
11 authority shall immediately report to the house and senate
12 appropriations subcommittees on higher education, the house and
13 senate fiscal agencies, and the state budget director, regarding
14 the estimated amount of additional funds necessary to establish a
15 \$2,000.00 maximum award amount. By December 15, 2005, and again by
16 February 1, 2006, the authority shall analyze the status of award
17 commitments, shall make any necessary adjustments, and shall
18 confirm that those award commitments will not exceed the
19 appropriation contained in part 1 for the tuition grant program.
20 The determination and actions shall be reported to the state budget
21 director and the house and senate fiscal agencies no later than
22 February 15, 2006. If award adjustments are necessary, the students
23 shall be notified of the adjustment by the third Monday in
24 February.

25 (4) Any unexpended and unencumbered funds remaining on
26 September 30, 2006 from the amounts appropriated in part 1 for the
27 tuition grant program shall not lapse on September 30, 2006, but



1 shall continue to be available for expenditure for tuition grants
2 provided in the 2006-2007 fiscal year. The use of these unexpended
3 fiscal year 2005-2006 funds shall terminate at the end of the 2006-
4 2007 fiscal year.

5 (5) The Michigan higher education assistance authority shall
6 continue a proportional tuition grant maximum award level for
7 recipients enrolled less than full-time in a given semester or
8 term.

9 (6) If the Michigan higher education assistance authority
10 increases the maximum award per eligible student from that provided
11 in the previous fiscal year, it shall not have the effect of
12 reducing the number of eligible students receiving awards in
13 relation to the total number of eligible applicants. Any increase
14 in the maximum grant shall be proportional for all eligible
15 students receiving awards for fiscal year 2005-2006.

16 (7) All Ferris State University students enrolled at Kendall
17 College of Art and Design prior to January 1, 2001 who were
18 qualified for the state tuition grant shall continue to receive the
19 dollar amount of the state tuition grant for which they were
20 eligible until they graduate or are no longer enrolled in the
21 Kendall College of Art and Design at Ferris State University.

22 Sec. 303. (1) Included in the appropriation in part 1 is
23 funding for the Michigan work-study program established under 1986
24 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to
25 390.1332. An effort should be made by each institution
26 participating in the Michigan work-study program to assure that not
27 less than 10% of those undergraduate, graduate, and professional



1 students eligible to participate in the program are placed with
2 for-profit employers no later than December 31 of each year for
3 which funding is provided under this article.

4 (2) The Michigan higher education assistance authority shall
5 allocate funds to institutions eligible for work-study money based
6 upon each institution's specific Pell grant index and each
7 institution's utilization rate of work-study funds for the 3 most
8 recent years for which statistics are available.

9 (3) The Michigan higher education assistance authority shall
10 set aside not more than 5% of the total work-study appropriation to
11 process requests from participating institutions for allocation
12 adjustments. Allocation adjustments shall be based on criteria set
13 by the authority prior to making the allocations under subsection
14 (2).

15 Sec. 307. The auditor general may audit selected enrollments,
16 degrees, and awards at selected independent colleges and
17 universities receiving awards administered by the department of
18 treasury. The audits shall be based upon definitions and
19 requirements established by the Michigan higher education
20 assistance authority, the state budget director, and the senate and
21 house fiscal agencies. The auditor general shall accept the Free
22 Application for Federal Student Aid (FAFSA) form as the standard of
23 residency documentation. The auditor general shall submit a report
24 of findings to the senate and house appropriations committees and
25 state budget director by May 1, 2006.

26 Sec. 308. The sums appropriated in part 1 for the student
27 financial aid programs shall be paid out of the state treasury and



1 shall be distributed to the respective institutions under a
2 quarterly payment system as follows:

3 (a) For the state competitive scholarship, nursing
4 scholarship, tuition incentive, and tuition grant programs, 40%
5 shall be paid at the beginning of the state's first fiscal quarter,
6 40% at the beginning of the state's second fiscal quarter, 10% at
7 the beginning of the state's third fiscal quarter, and 10% at the
8 beginning of the state's fourth fiscal quarter.

9 (b) For the work-study program, payments shall be made in 11
10 monthly installments from October 1 to August 31 of any year.

11 (c) For the part-time independent student program and the
12 Michigan education opportunity grant program, 50% shall be paid at
13 the beginning of the state's first fiscal quarter, 25% at the
14 beginning of the state's second fiscal quarter, and 25% at the
15 beginning of the state's third fiscal quarter.

16 (d) For the Robert C. Byrd honors scholarship program, 50%
17 shall be paid at the beginning of the state's first fiscal quarter
18 and 50% at the beginning of the state's second fiscal quarter.

19 Sec. 309. The Michigan higher education assistance authority
20 shall determine the needs analysis criteria for students to qualify
21 for the competitive scholarship program and tuition grant program.
22 To be consistent with federal requirements, student wages may be
23 taken into consideration when determining the amount of the award.

24 Sec. 310. (1) The funds appropriated in part 1 for the tuition
25 incentive program/high school completion program shall be
26 distributed as provided in this section and pursuant to the
27 administrative procedures for the tuition incentive program/high



1 school completion program of the department of treasury.

2 (2) As used in this section:

3 (a) "Phase I" means the first part of the tuition incentive
4 assistance program defined as the academic period of 80 semester or
5 120 term credits, or less, leading to an associate degree or
6 certificate.

7 (b) "Phase II" means the second part of the tuition incentive
8 assistance program which provides assistance in the third and
9 fourth year of 4-year degree programs.

10 (c) "Department" means the department of treasury.

11 (3) A person shall meet the following basic criteria and
12 financial thresholds to be eligible for tuition incentive benefits:

13 (a) To be eligible for phase I, a person shall meet all of the
14 following criteria:

15 (i) Apply for certification to the department before graduating
16 from high school or completing the general education development
17 (GED) certificate.

18 (ii) Be less than 20 years of age at the time of high school
19 graduation or GED completion.

20 (iii) Be a United States citizen and a resident of Michigan
21 according to institutional criteria.

22 (iv) Be at least a half-time student, earning less than 80
23 semester or 120 term credits at a participating educational
24 institution within 4 years of high school graduation or GED
25 certificate completion.

26 (b) To be eligible for phase II, a person shall meet either of
27 the following criteria in addition to the criteria in subdivision



1 (a):

2 (i) Complete at least 56 transferable semester or 84
3 transferable term credits.

4 (ii) Obtain an associate degree or certificate at a
5 participating institution.

6 (c) To be eligible for phase I or phase II, a person must be
7 financially eligible as determined by the department. A person is
8 financially eligible for the tuition incentive program if that
9 person was Medicaid eligible for 24 months within the 36 months
10 before application. Certification of eligibility may begin in the
11 sixth grade.

12 (4) For phase I, the department shall provide payment on
13 behalf of a person eligible under subsection (3). The department
14 shall reject billings that are excessive or outside the guidelines
15 for the type of educational institution.

16 (5) For phase I, all of the following apply:

17 (a) Payments for associate degree or certificate programs
18 shall not be made for more than 80 semester or 120 term credits for
19 any individual student at any participating institution.

20 (b) For persons enrolled at a Michigan community college, the
21 department shall pay the current in-district tuition and mandatory
22 fees. For persons residing in an area that is not included in any
23 community college district, the out-of-district tuition rate may be
24 authorized.

25 (c) For persons enrolled at a Michigan public university, the
26 department shall pay lower level division resident tuition and
27 mandatory fees for the current year.



1 (d) For persons enrolled at a Michigan independent, nonprofit
2 degree granting college or university, or a Michigan federal
3 tribally controlled community college, or Focus: HOPE, the
4 department shall pay mandatory fees for the current year and a per-
5 credit payment that does not exceed the average community college
6 in-district per-credit tuition rate as reported on August 1, for
7 the immediately preceding academic year.

8 (6) A person participating in phase II may be eligible for
9 additional funds not to exceed \$500.00 per semester or \$400.00 per
10 term up to a maximum of \$2,000.00 subject to the following
11 conditions:

12 (a) Credits are earned in a 4-year program at a Michigan
13 degree granting 4-year college or university.

14 (b) The tuition reimbursement is for coursework completed
15 within 30 months of completion of the phase I requirements.

16 (7) The department shall work closely with participating
17 institutions to develop an application and eligibility
18 determination process that will provide the highest level of
19 participation and ensure that all requirements of the program are
20 met.

21 (8) Applications for the tuition incentive program may be
22 approved at any time after the student begins the sixth grade. If a
23 determination of financial eligibility is made, that determination
24 is valid as long as the student meets all other program
25 requirements and conditions.

26 (9) Each institution shall ensure that all known available
27 restricted grants for tuition and fees are used prior to billing



1 the tuition incentive program for any portion of a student's
2 tuition and fees.

3 (10) The department shall ensure that the tuition incentive
4 program is well publicized and that potentially eligible Medicaid
5 clients are provided information on the program. The department
6 shall provide the necessary funding and staff to fully operate the
7 program.

8 Sec. 311. To enable the legislature and the state budget
9 director to evaluate the appropriation needs of higher education,
10 each independent college and university shall make available to the
11 legislature or state budget director, upon request, data regarding
12 grants for the preceding, current, and ensuing fiscal years.

13 Sec. 312. From the funds appropriated in part 1 for nursing
14 scholarship and grant programs, the Michigan higher education
15 assistance authority shall administer any nursing scholarship or
16 nursing school grant programs authorized under the Michigan nursing
17 scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

18 STATE UNIVERSITIES

19 Sec. 402. The University of Michigan biological station at
20 Douglas Lake in Cheboygan County is regarded as a unique resource
21 and is designated as a special research reserve. It is the intent
22 of the legislature to protect and preserve the unique long-term
23 research value and capabilities of the biological station area and
24 Douglas Lake. The legislature further intends that no state
25 programs or policies be developed that would have a deleterious
26 impact on the research value of Douglas Lake.



1 Sec. 405. (1) There is created the higher education
2 institutional data inventory advisory committee. The committee
3 shall be appointed by the state budget director and shall consist
4 of the following members:

5 (a) One representative from the house fiscal agency.

6 (b) One representative from the senate fiscal agency.

7 (c) One representative from the state budget director's
8 office.

9 (d) Three representatives of the presidents council of state
10 universities. The presidents council shall appoint 1 representative
11 each from a masters, a doctoral, and a research university.

12 (2) The committee shall be responsible for maintaining and
13 enhancing the state higher education database for which funding is
14 included in part 1.

15 Sec. 418. (1) The amounts appropriated for state university
16 operations in part 1 include monthly payment amounts for July and
17 August 2006 calculated using a funding model for determining state
18 university appropriation amounts, as described in this section.

19 (2) The total funds initially allocated under the funding
20 model were equal to \$1,414,319,000.00. From this amount, the
21 following percentages were allocated to the following components:

22 (a) 37.5% to an enrollment-based component.

23 (b) 37.5% to a degree-based component.

24 (c) 25.0% to a research-based component.

25 (3) Under the enrollment-based component, each state
26 university received a funding amount per resident, or nonresident
27 undergraduate, fiscal year equated student and a funding amount per



1 nonresident graduate fiscal year equated student, based on fiscal
2 year 2003-2004 data reported to the higher education institutional
3 data inventory (HEIDI). The amount per nonresident graduate student
4 was set at 75.0% of the amount per resident, or nonresident
5 undergraduate, student. Those amounts were calculated so that total
6 enrollment-based funding to all state universities was equal to the
7 funds allocated to this component.

8 (4) Under the degree-based component, each state university
9 received a funding amount per degree awarded, based on fiscal year
10 2003-2004 data reported to the integrated postsecondary education
11 data system and subsequently included in HEIDI. The base funding
12 amount was multiplied, in sequence, by weights that vary by the
13 academic level and program category of the degree. The base funding
14 amount for a bachelor's degree in a general field was calculated so
15 that total degree-based funding was equal to the funds allocated to
16 this component. The weights were as follows:

17 (a) Academic level:

18 (i) 0.25 for an associate's degree.

19 (ii) 1.00 for a bachelor's degree.

20 (iii) 0.25 for a master's or doctoral degree.

21 (iv) 0.50 for a professional degree.

22 (b) Program category:

23 (i) 1.00 for a degree in a general area.

24 (ii) 2.00 for a degree in a natural science-related area.

25 (iii) 4.00 for a degree in an engineering- or technology-related
26 area.

27 (iv) 4.00 for a degree in a health-related area.



1 (5) Under the research-based component, each university
2 received funds based on a percentage of science- and engineering-
3 related obligations awarded to that state university by the federal
4 government based on the average of fiscal year 2000-2001 and fiscal
5 year 2001-2002 data reported by the national science foundation
6 based on a survey of federal agencies. The amount of funds any
7 university could receive under this component was capped at 40.0%
8 of the total funds allocated to the component. The percentage of
9 federal funds awarded was calculated so that total research-based
10 funding was equal to the funds allocated to this component.

11 (6) The initial annual funding amount for each state
12 university was calculated by adding the amounts calculated under
13 each of the 3 funding model components under subsection (2). To
14 determine the final annual funding amount for each state university
15 under the funding model, negative differences from the amounts
16 proposed for each state university under the fiscal year 2005-2006
17 executive recommendation were limited to 5.0% and positive
18 differences from the amounts proposed for each state university
19 under the fiscal year 2005-2006 executive recommendation were
20 limited to 10.0%. Funds were then added to the annual funding model
21 amounts for any universities with negative differences from the
22 amount proposed under the fiscal year 2005-2006 executive
23 recommendation in an amount sufficient to exactly offset those
24 differences. The monthly payment amount to be paid to each state
25 university in both July and August 2006 under section 212 shall be
26 equal to the annual funding model amount for that state university,
27 after differences from the executive recommendation have been



1 limited and funds have been added for universities with negative
2 differences from the executive recommendation, divided by 11.

3 (7) If the funding model described in this section is used to
4 determine state university appropriation amounts in future fiscal
5 years, it is the intent of the legislature that any future
6 increases in reported federal science- and engineering-related
7 obligations for a university receiving a capped amount of funding
8 in fiscal year 2005-2006 shall be eligible for increased funding
9 under the funding model.

10 Sec. 426. It is the legislative intent that private bookstores
11 that sell textbooks to university students and student governments
12 that provide a book swap for university students have accurate and
13 timely access to lists of universities' required textbooks in order
14 to provide prompt and efficient service for students. It is further
15 the legislative intent that each state university allow students
16 who are on financial aid or are receiving tuition grants to decide
17 where to purchase their textbooks.

18 Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the
19 agricultural experiment station and \$2,619,000.00 for the
20 cooperative extension service for project GREEN. Project GREEN is
21 intended to address critical regulatory, food safety, economic, and
22 environmental problems faced by this state's plant-based
23 agriculture, forestry, and processing industries. "GREEN" is an
24 acronym for generating research and extension to meet environmental
25 and economic needs.

26 (2) The department of agriculture and Michigan State
27 University, in consultation with agricultural commodity groups and



1 other interested parties, shall develop project GREEN and its
2 program priorities.

3 (3) Not later than September 30, 2006, a report shall be
4 submitted by Michigan State University to the state budget
5 director, the house and senate appropriations subcommittees on
6 agriculture and on higher education, and the house and senate
7 fiscal agencies for the preceding fiscal year regarding project
8 GREEN projects. The report shall include, but is not limited to,
9 the dollar amount of each project and a review of each project's
10 performance and accomplishments.

11 Sec. 436. It is the intent of the legislature that if any
12 Michigan public university increases its resident undergraduate
13 tuition and required fees from academic year 2004-2005 to academic
14 year 2005-2006, then that university shall increase its fiscal year
15 2005-2006 general fund expenditures for student financial aid by at
16 least the same percentage as the percentage change in resident
17 undergraduate tuition and required fees. Each public university
18 shall report its proposed fiscal year 2005-2006 general fund
19 expenditures for student financial aid compared to its projected
20 fiscal year 2004-2005 general fund expenditures for student
21 financial aid, and its projected academic year 2005-2006 resident
22 undergraduate tuition and required fee changes from academic year
23 2004-2005, to the state budget director and the house and senate
24 appropriations subcommittees on higher education by November 15,
25 2005.

26 Sec. 437. It is the intent of the legislature that funds in a
27 Michigan public school employee retirement system (MPSERS)



1 stabilization subaccount be used for fiscal year 2005-2006 to
2 provide at least a \$3,960,000.00 subsidy of the payroll
3 contribution rate for the 7 state universities that have employees
4 in the MPSERS system.

5 Sec. 440. All universities shall submit the amount of tuition
6 and fees actually charged to a full-time resident undergraduate
7 student for academic year 2005-2006 as part of their higher
8 education institutional data inventory (HEIDI) data by August 31,
9 2005. A university shall report any revisions for any semester of
10 the reported academic year 2005-2006 tuition and fee charges to
11 HEIDI within 15 days of being adopted.

12 Sec. 450. The amount allocated under part 1 for per-student
13 floor funding is equal to \$3,650.00 per 2003-2004 fiscal-year-
14 equated student at each university, except for Grand Valley State
15 University due to limited state resources. The number of 2003-2004
16 fiscal-year-equated students at a university is determined by
17 reference to the higher education institutional data inventory
18 (HEIDI).

19 Sec. 461. From the amount appropriated in part 1 to Lake
20 Superior State University for operations, \$100,000.00 shall be paid
21 to Bay Mills Community College for the costs of waiving tuition for
22 North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

23 Sec. 462. The funds appropriated in part 1 for state
24 university operations are in addition to any funds appropriated for
25 state university operations for state fiscal year 2004-2005 under
26 section 701(3) of 2005 PA 11, which shall be recognized by the
27 state universities as revenue in their institutional 2005-2006



1 fiscal years.

2 **MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**

3 Sec. 501. (1) Included in the appropriation for each public
4 university in part 1 is funding for the Martin Luther King, Jr. -
5 Cesar Chavez - Rosa Parks future faculty program, that is intended
6 to increase the pool of minority candidates pursuing faculty
7 teaching careers in postsecondary education. Each university shall
8 apply the percentage change applicable to every university in the
9 calculation of appropriations in part 1 to the amount of funds
10 allocated to the future faculty program.

11 (2) The program shall be administered by each university in a
12 manner prescribed by the Michigan department of labor and economic
13 growth. The Michigan department of labor and economic growth shall
14 use a good faith effort standard to evaluate whether a fellowship
15 is in default.

16 Sec. 502. (1) Included in the appropriation for each public
17 university in part 1 is funding for the Martin Luther King, Jr. -
18 Cesar Chavez - Rosa Parks college day program that is intended to
19 introduce schoolchildren underrepresented in postsecondary
20 education to the potential of a college education.

21 (2) Individual program plans of each university shall include
22 a budget of equal contributions from this program, the
23 participating public university, the participating school district,
24 and the participating independent degree granting college. College
25 day funds shall not be expended to cover indirect costs. Not more
26 than 20% of the university match shall be attributable to indirect



1 costs. Each university shall apply the percentage change applicable
2 to every university in the calculation of appropriations in part 1
3 to the amount of funds allocated to the college day program.

4 (3) The program shall be administered by each university in a
5 manner prescribed by the Michigan department of labor and economic
6 growth.

7 Sec. 503. (1) Included in part 1 is funding for the Martin
8 Luther King, Jr. - Cesar Chavez - Rosa Parks select student support
9 services program for developing academically and economically
10 disadvantaged student retention programs for 4-year public and
11 independent educational institutions in this state.

12 (2) An award made under this program to any 1 institution
13 shall not be greater than \$150,000.00, and the amount awarded shall
14 be matched on a 70% state, 30% college or university basis.

15 (3) The program shall be administered by the Michigan
16 department of labor and economic growth.

17 Sec. 504. (1) Included in part 1 is funding for the Martin
18 Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
19 partnership program between 4-year public and independent colleges
20 and universities and public community colleges, which is intended
21 to increase the number of academically and economically
22 disadvantaged students who transfer from community colleges into
23 baccalaureate programs.

24 (2) The grants shall be made under this program to Michigan
25 public and independent colleges and universities. An award to any 1
26 institution shall not be greater than \$150,000.00, and the amount
27 awarded shall be matched on a 70% state, 30% college or university



1 basis.

2 (3) The program shall be administered by the Michigan
3 department of labor and economic growth.

4 Sec. 505. (1) Included in the appropriation for each public
5 university in part 1 is funding for the Martin Luther King, Jr. -
6 Cesar Chavez - Rosa Parks visiting professors program which is
7 intended to increase the number of underrepresented minority
8 instructors in the classroom and provide role models for
9 underrepresented minority students.

10 (2) The program shall be administered by the Michigan
11 department of labor and economic growth.

12 Sec. 506. (1) Included in the appropriation in part 1 is
13 funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
14 Parks initiative for the Morris Hood, Jr. educator development
15 program which is intended to increase the number of minority
16 students, especially males, who enroll in and complete K-12 teacher
17 education programs at the baccalaureate level.

18 (2) The program shall be administered by each state-approved
19 teacher education institution in a manner prescribed by the
20 Michigan department of labor and economic growth.

21 (3) Approved teacher education institutions may and are
22 encouraged to use student support services funding in coordination
23 with the Morris Hood, Jr. funding to achieve the goals of the
24 program.

25 Sec. 507. Each state institution of higher education receiving
26 funds under section 503, 504, or 506 shall notify the Michigan
27 department of labor and economic growth by April 15, 2006 as to



1 whether it will expend by the end of its fiscal year the funds
2 received under section 503, 504, or 506. Notwithstanding the award
3 limitations in sections 503 and 504, the amount of funding reported
4 as not being expended will be reallocated to the institutions that
5 intend to expend all funding received under section 503, 504, or
6 506.

7 **STUDENT PERFORMANCE REPORTING**

8 Sec. 601. (1) From the amount appropriated in part 1 for state
9 universities, the state universities shall systematically inform
10 Michigan high schools regarding the academic status of students
11 from each high school in a manner prescribed by the presidents
12 council, state universities of Michigan in cooperation with the
13 Michigan association of secondary school principals.

14 (2) The Michigan high schools shall systematically inform the
15 state universities about the use of information received under this
16 section in a manner prescribed by the Michigan association of
17 secondary school principals in cooperation with the presidents
18 council, state universities of Michigan.

19 Sec. 602. From the amount appropriated in part 1 for state
20 universities, the state universities shall inform Michigan
21 community colleges regarding the academic status of community
22 college transfer students in a manner prescribed by the presidents
23 council, state universities of Michigan in cooperation with the
24 Michigan community college association.

25 **GENERAL REPORTS AND AUDITS**



1 Sec. 701. (1) The auditor general shall review higher
2 education institutional data inventory (HEIDI) enrollment data
3 submitted by all public universities and may perform audits of
4 selected public universities if determined necessary. The review
5 and audits shall be based upon the definitions, requirements, and
6 uniform reporting categories established by the state budget
7 director and the senate and house fiscal agencies. The auditor
8 general shall submit a report of findings to the house and senate
9 appropriations committees and the state budget director no later
10 than July 1, 2006.

11 (2) Student credit hours reports shall not include the
12 following:

13 (a) Student credit hours generated through instructional
14 activity by faculty or staff in classrooms located outside
15 Michigan, with the exception of instructional activity related to
16 study-abroad programs or field programs.

17 (b) Student credit hours generated through distance learning
18 instruction for students not paying the institution's resident
19 tuition rate.

20 (c) Student credit hours generated through credit by
21 examination.

22 (d) Student credit hours generated through inmate prison
23 programs regardless of teaching location.

24 (e) Student credit hours generated in new degree programs
25 after January 1, 1975, that have not been specifically authorized
26 for funding by the legislature, except spin-off programs converted
27 from existing core programs that do all of the following:



1 (i) Represent new options, fields, or concentrations within
2 existing programs.

3 (ii) Are consistent with the current institutional role and
4 mission.

5 (iii) Are accommodated within the continuing funding base of the
6 institution.

7 (iv) Do not require a new degree level beyond that which the
8 institution is currently authorized to grant within that discipline
9 or field.

10 (v) Do not require funding from the state other than that
11 provided by the student credit hours generated within the program,
12 either before program initiation or within the first 3 years of
13 program operation.

14 (3) The auditor general shall periodically audit higher
15 education institutional data inventory (HEIDI) data as submitted by
16 the state universities for compliance with the definitions approved
17 by the HEIDI advisory committee for the HEIDI database.

18 (4) "Distance learning instruction" as used in subsection (2)
19 means instruction that occurs in other than a traditional classroom
20 setting where the student and instructor are in the same physical
21 location and for which a student receives course credits and is
22 charged tuition and fees. Examples of distance learning instruction
23 are instruction delivered solely through the Internet, cable
24 television, teleconference, or mail.

25 Sec. 701a. (1) Pursuant to section 701(2)(e), the following
26 degree programs may be established:

27 (a) Bachelors



1 Eastern Michigan University Creative Writing, B.A./B.S.
2 Grand Valley State University Athletic Training Major, B.S.
3 Lake Superior State University Spanish, B.A.
4 Michigan Technological University Audio Production and
5 Technology, B.S.
6 Michigan Technological University Cheminformatics, B.S.
7 Michigan Technological University Communication and Culture
8 Studies with Concentrations in Communication in Contemporary
9 Culture; Communication in Human Interactions and Global Contexts;
10 Communication Media.
11 Michigan Technological University Pharmaceutical Chemistry,
12 B.S.
13 Michigan Technological University Sound Design, B.A.
14 Michigan Technological University Theatre and Entertainment
15 Technology, B.A.
16 Michigan Technological University Theatre and Entertainment
17 Technology, B.S.
18 Michigan Technological University Wildlife Ecology and
19 Management, B.S.
20 University of Michigan-Ann Arbor Earth Systems Science and
21 Engineering, B.S.
22 University of Michigan-Ann Arbor Neuroscience Concentration,
23 B.S.
24 University of Michigan-Flint Music (Performance), B.S.
25 (b) Masters
26 Eastern Michigan University Earth Science Education, M.S.
27 Eastern Michigan University Orthotics and Prosthetics, M.S.



1 Saginaw Valley State University Occupational Therapy Program,
2 M.A.

3 University of Michigan-Ann Arbor Global Automotive and
4 Manufacturing Engineering, M.E.

5 University of Michigan-Ann Arbor Space Engineering, M. Eng.

6 University of Michigan-Dearborn Masters of Public Policy,
7 Masters.

8 University of Michigan-Flint Computer and Information Systems,
9 M.S.

10 University of Michigan-Flint Master of Arts in Social
11 Sciences, M.A.

12 Western Michigan University Master of Science in Civil
13 Engineering, M.S.E.

14 Western Michigan University Nursing, M.S.N.

15 (c) Doctorate

16 Michigan Technological University Industrial Heritage and
17 Archeology, Ph.D.

18 (2) The listing of degree programs in subsection (1) does not
19 constitute legislative intent to provide additional dollars for
20 those programs.

21 (3) When submitting the listing of new degree programs for
22 future fiscal years, the presidents council shall also provide a
23 listing of degree programs that will no longer be offered in
24 subsequent academic years.

25 Sec. 702. The principal executive officer of each institution
26 of higher education receiving an appropriation under this article
27 shall expend a portion of the funds appropriated to that



1 institution to make a report to the auditor general, the house and
2 senate fiscal agencies, and the state budget director within 60
3 days after the auditor general issues his or her report on the
4 operation of the institution. The institution's report shall
5 specify all of the following:

6 (a) The recommendations of the auditor general implemented by
7 the institution, including projected dates and resources required,
8 if any, to achieve compliance.

9 (b) The recommendations of the auditor general not implemented
10 by the institution or implemented by the institution as modified.

11 (c) The rationale for not implementing a recommendation of the
12 auditor general or of implementing a recommendation as modified.

13 Sec. 708. The auditor general may conduct performance audits
14 of state universities during the fiscal year ending September 30,
15 2006 as the auditor general considers necessary.

16 Sec. 709. An institution receiving funds under this bill and
17 also subject to the student right-to-know and campus security act,
18 Public Law 101-522, 104 Stat. 2381, shall make a copy of all
19 material prepared pursuant to the public information reporting
20 requirements under the crime awareness and campus security act of
21 1990, title II of the student right-to-know and campus security
22 act, Public Law 101-542, 104 Stat. 2381, available in electronic
23 Internet format on their websites.

24

ARTICLE 14

25

DEPARTMENT OF NATURAL RESOURCES



PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF NATURAL RESOURCES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0		
Full-time equated classified positions	2,073.5		
GROSS APPROPRIATION		\$	272,943,100
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers.....			3,691,200
ADJUSTED GROSS APPROPRIATION		\$	269,251,900
Federal revenues:			
Total federal revenues			38,990,200
Special revenue funds:			
Total local revenues			0
Total private revenues			2,090,100
Total other state restricted revenues			202,578,400
State general fund/general purpose		\$	25,593,200
FUND SOURCE SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	2,073.5		
GROSS APPROPRIATION		\$	272,943,100



1	Interdepartmental grant revenues:	
2	IDG, engineering services to work orders	1,566,600
3	IDG, land acquisition services to work orders	706,500
4	IDG, MacMullan conference center revenue	1,418,100
5	Total interdepartmental grants and intradepartmental	
6	transfers.....	3,691,200
7	ADJUSTED GROSS APPROPRIATION	\$ 269,251,900
8	Federal revenues:	
9	DAG, federal	7,166,000
10	DHS-USCG, federal	2,689,600
11	DOC, federal	67,000
12	DOE, federal	1,000
13	DOI, federal	23,545,000
14	DOI, oil and gas royalty revenue	150,000
15	DOI, timber revenue	3,300,000
16	DOT, federal	1,800,000
17	EPA, federal	271,600
18	Total federal revenues	38,990,200
19	Special revenue funds:	
20	Private funds	1,590,100
21	Private - gift revenues	500,000
22	Total private revenues	2,090,100
23	Aircraft fees	245,300
24	Air photo fees - geographic information system	43,500
25	Cervidae licensing and inspection fees	95,700
26	Clean Michigan initiative fund	54,100
27	Commercial forest fund	48,300



1	Forest development fund	31,922,100
2	Forestland user charges	317,300
3	Forest recreation fund	1,386,900
4	Game and fish protection fund	62,314,600
5	Game and fish protection fund - deer habitat reserve .	2,508,900
6	Game and fish protection fund - fisheries settlement .	966,400
7	Game and fish protection fund - turkey permit fees ...	1,748,000
8	Game and fish protection fund - waterfowl fees	99,900
9	Game and fish - wildlife resource protection fund	1,611,800
10	Game and fish protection fund - youth hunting and	
11	fishing education and outreach fund.....	26,800
12	Harbor development fund	287,400
13	Land exchange facilitation fund	5,919,300
14	Marine safety fund	4,714,300
15	Michigan civilian conservation corps endowment fund ..	1,139,500
16	Michigan natural resources trust fund	3,292,800
17	Michigan state parks endowment fund	12,375,100
18	Michigan state waterways fund	15,906,800
19	Nongame wildlife fund	685,300
20	Off-road vehicle trail improvement fund	4,210,500
21	Park improvement fund	36,957,800
22	Publications revenue	3,600
23	Recreation improvement fund	1,444,500
24	Safety education fund	206,100
25	Shop fees	63,700
26	Snowmobile registration fee revenue	2,257,500
27	Snowmobile trail improvement fund	9,724,600



1	Total other state restricted revenues	202,578,400
2	State general fund/general purpose	\$ 25,593,200
3	Sec. 102. EXECUTIVE (RESOURCE CONSERVATION)	
4	Full-time equated unclassified positions	6.0
5	Full-time equated classified positions	45.6
6	Commission (including travel expense--per diem)	\$ 91,300
7	Unclassified salaries--6.0 FTE positions	416,500
8	Education and outreach--33.6 FTE positions	3,643,900
9	Executive direction--12.0 FTE positions	<u>1,935,400</u>
10	GROSS APPROPRIATION	\$ 6,087,100
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG, MacMullan conference center revenue	22,800
14	Special revenue funds:	
15	Aircraft fees	500
16	Air photo fees - geographic information system	11,300
17	Forest development fund	249,400
18	Forestland user charges	6,400
19	Forest recreation fund	26,600
20	Game and fish protection fund	1,741,800
21	Game and fish protection fund - deer habitat reserve .	36,600
22	Game and fish protection fund - fisheries settlement .	10,100
23	Game and fish protection fund - turkey permit fees ...	20,700
24	Game and fish protection fund - waterfowl fees	900
25	Game and fish - wildlife resource protection fund	20,400
26	Game and fish protection fund - youth hunting and	
27	fishing education and outreach fund	26,800



1	Harbor development fund	600
2	Land exchange facilitation fund	40,000
3	Marine safety fund	28,400
4	Michigan civilian conservation corps endowment fund ..	2,600
5	Michigan natural resources trust fund	31,400
6	Michigan state parks endowment fund	42,100
7	Michigan state waterways fund	296,000
8	Nongame wildlife fund	12,600
9	Off-road vehicle trail improvement fund	2,900
10	Park improvement fund	2,370,600
11	Publications revenue	500
12	Recreation improvement fund	12,700
13	Snowmobile registration fee revenue	4,400
14	Snowmobile trail improvement fund	34,700
15	State general fund/general purpose	\$ 1,033,300
16	Sec. 103. ADMINISTRATIVE SERVICES (RESOURCE	
17	CONSERVATION)	
18	Full-time equated classified positions	81.0
19	Budget and support services--10.0 FTE positions	\$ 972,400
20	Financial services--27.0 FTE positions	2,560,400
21	Grants management--15.0 FTE positions	1,274,200
22	Human resources--21.0 FTE positions	2,091,500
23	Human resources optimization user charges	88,600
24	Internal audit--8.0 FTE positions	<u>807,500</u>
25	GROSS APPROPRIATION	\$ 7,794,600
26	Appropriated from:	
27	Interdepartmental grant revenues:	



1	IDG, MacMullan conference center revenue	14,200
2	Federal revenues:	
3	DOI, federal	343,500
4	Special revenue funds:	
5	Aircraft fees	3,100
6	Air photo fees - geographic information system	700
7	Clean Michigan initiative fund	54,100
8	Commercial forest fund	1,800
9	Forest development fund	670,000
10	Forestland user charges	1,000
11	Forest recreation fund	57,500
12	Game and fish protection fund	1,534,100
13	Game and fish protection fund - deer habitat reserve .	49,700
14	Game and fish protection fund - fisheries settlement .	25,700
15	Game and fish protection fund - turkey permit fees ...	39,200
16	Game and fish protection fund - waterfowl fees	800
17	Game and fish - wildlife resource protection fund	41,500
18	Harbor development fund	11,300
19	Land exchange facilitation fund	32,000
20	Marine safety fund	183,300
21	Michigan civilian conservation corps endowment fund ..	49,500
22	Michigan natural resources trust fund	883,100
23	Michigan state parks endowment fund	119,900
24	Michigan state waterways fund	480,400
25	Nongame wildlife fund	22,100
26	Off-road vehicle trail improvement fund	66,300
27	Park improvement fund	1,675,800



1	Publications revenue		3,100
2	Recreation improvement fund		16,700
3	Shop fees		400
4	Snowmobile registration fee revenue		136,300
5	Snowmobile trail improvement fund		188,700
6	State general fund/general purpose	\$	1,088,800
7	Sec. 104. LAND AND FACILITIES (RESOURCE		
8	CONSERVATION)		
9	Full-time equated classified positions	134.2	
10	Land and facilities--134.2 FTE positions	\$	<u>19,609,600</u>
11	GROSS APPROPRIATION	\$	19,609,600
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG, engineering services to work orders		1,566,600
15	IDG, land acquisition services to work orders		706,500
16	IDG, MacMullan conference center revenue		1,346,700
17	Federal revenues:		
18	Special revenue funds:		
19	Aircraft fees		122,300
20	Forest development fund		1,631,200
21	Forestland user charges		12,700
22	Forest recreation fund		10,400
23	Game and fish protection fund		7,245,500
24	Land exchange facilitation fund		5,731,200
25	Marine safety fund		91,200
26	Michigan natural resources trust fund		60,600
27	Michigan state waterways fund		299,300



1	Off-road vehicle trail improvement fund		22,700
2	Park improvement fund		509,700
3	Snowmobile trail improvement fund		13,900
4	State general fund/general purpose	\$	239,100
5	Sec. 105. DEPARTMENTAL OPERATION SUPPORT (RESOURCE		
6	CONSERVATION)		
7	Building occupancy charges	\$	2,071,600
8	Rent - privately owned property		485,600
9	Gifts and bequests		500,000
10	GROSS APPROPRIATION	\$	3,057,200
11	Appropriated from:		
12	Special revenue funds:		
13	Private - gift revenues		500,000
14	Forest development fund		957,300
15	Forest recreation fund		20,400
16	Game and fish protection fund		475,900
17	Game and fish protection fund - deer habitat reserve .		20,800
18	Game and fish protection fund - fisheries settlement .		6,700
19	Game and fish protection fund - turkey permit fees ...		25,000
20	Game and fish - wildlife resource protection fund		7,500
21	Marine safety fund		46,100
22	Michigan natural resources trust fund		66,700
23	Michigan state parks endowment fund		213,100
24	Michigan state waterways fund		237,600
25	Park improvement fund		316,700
26	Snowmobile trail improvement fund		21,600
27	State general fund/general purpose	\$	141,800



1 **Sec. 106. WILDLIFE MANAGEMENT (RESOURCE**
 2 **CONSERVATION)**

3	Full-time equated classified positions	192.0	
4	Wildlife administration--14.5 FTE positions		\$ 1,606,200
5	Wildlife management--168.5 FTE positions		24,567,800
6	Natural resources heritage--9.0 FTE positions		1,366,700
7	State game and wildlife area maintenance		<u>500,000</u>
8	GROSS APPROPRIATION		\$ 28,040,700
9	Appropriated from:		
10	Federal revenues:		
11	DAG, federal		97,900
12	DOI, federal		11,112,200
13	EPA, federal		1,000
14	Special revenue funds:		
15	Private funds		108,500
16	Cervidae licensing and inspection fees		95,700
17	Game and fish protection fund		10,085,000
18	Game and fish protection fund - deer habitat reserve .		2,299,500
19	Game and fish protection fund - turkey permit fees ...		1,580,400
20	Game and fish protection fund - waterfowl fees		98,200
21	Forest development fund		60,000
22	Nongame wildlife fund		611,200
23	State general fund/general purpose		\$ 1,891,100

24 **Sec. 107. FISHERIES MANAGEMENT (RESOURCE**
 25 **CONSERVATION)**

26	Full-time equated classified positions	225.0	
27	Aquatic resource mitigation--3.0 FTE positions		\$ 890,900



1	Fisheries administration--10.0 FTE positions	1,055,200
2	Fish production--62.0 FTE positions	8,126,100
3	Fisheries resource management--150.0 FTE positions ...	<u>17,232,000</u>
4	GROSS APPROPRIATION	\$ 27,304,200
5	Appropriated from:	
6	Federal revenues:	
7	DOC, federal	50,300
8	DOE, federal	1,000
9	DOI, federal	8,231,100
10	EPA, federal	155,800
11	Special revenue funds:	
12	Private funds	109,700
13	Game and fish protection fund	17,866,400
14	Game and fish protection fund - fisheries settlement .	889,900
15	State general fund/general purpose	\$ 0
16	Sec. 108. PARKS AND RECREATION (RESOURCE	
17	CONSERVATION, THRIVING ECONOMY)	
18	Full-time equated classified positions	785.7
19	Michigan civilian conservation corps--3.0 FTE	
20	positions	\$ 1,058,800
21	Recreational boating--201.5 FTE positions	13,680,500
22	State parks--581.2 FTE positions	41,289,500
23	State parks improvement revenue bonds - debt service .	<u>1,107,900</u>
24	GROSS APPROPRIATION	\$ 57,136,700
25	Appropriated from:	
26	Interdepartmental grant revenues:	
27	Federal revenues:	



1	EPA, federal	113,800
2	Special revenue funds:	
3	Private funds	344,200
4	Harbor development fund	270,000
5	Michigan civilian conservation corps endowment fund ..	1,058,800
6	Michigan state parks endowment fund	11,426,200
7	Michigan state waterways fund	13,410,500
8	Off-road vehicle trail improvement fund	230,100
9	Park improvement fund	30,283,100
10	State general fund/general purpose	\$ 0
11	Sec. 109. FOREST, MINERAL, AND FIRE MANAGEMENT	
12	(RESOURCE CONSERVATION, THRIVING ECONOMY)	
13	Full-time equated classified positions	342.5
14	Adopt-a-forest program	\$ 25,000
15	Cooperative resource programs--10.5 FTE positions	2,573,200
16	Forest and timber treatments--121.0 FTE positions	15,738,800
17	Forest fire equipment	1,700,000
18	Forest fire protection--133.5 FTE positions	10,421,400
19	Forest management initiatives--9.2 FTE positions	889,000
20	Forest management planning--18.0 FTE positions	5,453,300
21	Forest recreation and trails--33.0 FTE positions	4,872,400
22	Minerals management--17.3 FTE positions	<u>2,081,900</u>
23	GROSS APPROPRIATION	\$ 43,755,000
24	Appropriated from:	
25	Federal revenues:	
26	DAG, federal	2,243,100
27	DOI, federal	2,000



1	EPA, federal	1,000
2	Special revenue funds:	
3	Private funds	877,700
4	Aircraft fees	119,400
5	Air photo fees - geographic information system	26,300
6	Commercial forest fund	45,000
7	Forest development fund	26,610,000
8	Forestland user charges	284,400
9	Forest recreation fund	1,146,600
10	Game and fish protection fund	1,605,800
11	Michigan natural resources trust fund	1,079,700
12	Michigan state parks endowment fund	532,500
13	Michigan state waterways fund	364,600
14	Off-road vehicle trail improvement fund	389,500
15	Recreation improvement fund	305,200
16	Shop fees	63,300
17	Snowmobile trail improvement fund	2,093,500
18	State general fund/general purpose	\$ 5,965,400
19	Sec. 110. LAW ENFORCEMENT (RESOURCE CONSERVATION)	
20	Full-time equated classified positions	267.5
21	General law enforcement--257.5 FTE positions	\$ 27,111,100
22	Wildlife resource protection--10.0 FTE positions	<u>1,588,300</u>
23	GROSS APPROPRIATION	\$ 28,699,400
24	Appropriated from:	
25	Federal revenues:	
26	DHS-USCG, federal	2,689,600
27	DOC, federal	16,700



1	DOI, federal		1,189,300
2	Special revenue funds:		
3	Forest recreation fund		55,400
4	Game and fish protection fund		17,474,600
5	Game and fish - wildlife resource protection fund		1,477,500
6	Marine safety fund		1,460,100
7	Off-road vehicle trail improvement fund		1,141,600
8	Park improvement fund		55,400
9	Safety education fund		56,100
10	Snowmobile registration fee revenue		941,100
11	State general fund/general purpose	\$	2,142,000
12	Sec. 111. PAYMENTS IN LIEU OF TAXES (EFFECTIVE		
13	GOVERNMENT)		
14	Swamp and tax reverted lands	\$	7,071,500
15	Purchased lands		5,050,000
16	Commercial forest reserves		<u>2,662,600</u>
17	GROSS APPROPRIATION	\$	14,784,100
18	Appropriated from:		
19	Special revenue funds:		
20	Game and fish protection fund		2,040,000
21	Michigan natural resources trust fund		520,000
22	Michigan state waterways fund		140,000
23	State general fund/general purpose	\$	12,084,100
24	Sec. 112. GRANTS (RESOURCE CONSERVATION, EFFECTIVE		
25	GOVERNMENT)		
26	Federal - clean vessel act grants	\$	100,000
27	Federal - forest stewardship grants		625,000



1	Federal - land and water conservation fund payments ..	2,566,900
2	Federal - rural community fire protection	300,000
3	Federal - urban forestry grants	4,000,000
4	Grants to communities - federal oil, gas, and timber	
5	payments.....	3,450,000
6	National recreational trails	1,850,000
7	Game and nongame wildlife fund grants	10,000
8	Grant to counties-marine safety	2,805,000
9	Inland fisheries resources grants	200,000
10	Off-road vehicle safety training grants	150,000
11	Off-road vehicle trail improvement grants	2,357,400
12	Recreation improvement fund grants	1,100,000
13	Snowmobile law enforcement grants	1,142,000
14	Snowmobile local grants program	<u>7,314,000</u>
15	GROSS APPROPRIATION	\$ 27,970,300
16	Appropriated from:	
17	Federal revenues:	
18	DAG, federal	4,825,000
19	DOI, federal	2,666,900
20	DOI, oil and gas royalty revenue	150,000
21	DOI, timber revenue	3,300,000
22	DOT, federal	1,800,000
23	Special revenue funds:	
24	Private funds	150,000
25	Game and fish protection fund	200,000
26	Marine safety fund	2,805,000
27	Nongame wildlife fund	10,000



1	Off-road vehicle trail improvement fund	2,357,400
2	Recreation improvement fund	1,100,000
3	Safety education fund	150,000
4	Snowmobile registration fee revenue	1,142,000
5	Snowmobile trail improvement fund	7,314,000
6	State general fund/general purpose	\$ 0
7	Sec. 113. INFORMATION TECHNOLOGY (RESOURCE CONSERVATION)	
8	Information technology services and projects	\$ <u>8,704,200</u>
9	GROSS APPROPRIATION	\$ 8,704,200
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG, MacMullan conference center revenue	34,400
13	Special revenue funds:	
14	Air photo fees - geographic information system	5,200
15	Commercial forest fund	1,500
16	Forest development fund	1,744,200
17	Forestland user charges	12,800
18	Forest recreation fund	70,000
19	Game and fish protection fund	2,045,500
20	Game and fish protection fund - deer habitat reserve .	102,300
21	Game and fish protection fund - fisheries settlement .	34,000
22	Game and fish protection fund - turkey permit fees ...	82,700
23	Game and fish - wildlife resource protection fund	64,900
24	Harbor development fund	5,500
25	Land exchange facilitation fund	116,100
26	Marine safety fund	100,200
27	Michigan civilian conservation corps endowment fund ..	28,600



1	Michigan natural resources trust fund	651,300
2	Michigan state parks endowment fund	41,300
3	Michigan state waterways fund	678,400
4	Nongame wildlife fund	29,400
5	Park improvement fund	1,746,500
6	Recreation improvement fund	9,900
7	Snowmobile registration fee revenue	33,700
8	Snowmobile trail improvement fund	58,200
9	State general fund/general purpose	\$ 1,007,600

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 2005-2006 is \$228,171,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$28,662,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES

PAYMENTS IN LIEU OF TAXES

Commercial forest reserves	\$	2,662,600
Purchased lands		5,050,000
Swamp and tax reverted lands		7,071,500

GRANTS



1	Grants to counties - marine safety	2,805,000
2	Off-road vehicle safety training grants	150,000
3	Off-road vehicle trail improvement grants	2,357,400
4	Recreation improvement fund grants	110,000
5	Snowmobile law enforcement grants	1,142,000
6	Snowmobile local grants program	<u>7,314,000</u>
7	TOTAL	\$ 28,662,500

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

11 Sec. 203. As used in this article:

- 12 (a) "Commission" means the commission of natural resources.
- 13 (b) "DAG" means the United States department of agriculture.
- 14 (c) "Department" means the department of natural resources.
- 15 (d) "DHS" means the United States department of homeland
16 security.
- 17 (e) "DOC" means the United States department of commerce.
- 18 (f) "DOE" means the United States department of energy.
- 19 (g) "DOI" means the United States department of interior.
- 20 (h) "DOT" means the United States department of
21 transportation.
- 22 (i) "EPA" means the United States environmental protection
23 agency.
- 24 (j) "FTE" means full-time equated.
- 25 (k) "IDG" means interdepartmental grant.
- 26 (l) "USCG" means the United States coast guard.

27 Sec. 204. The department of civil service shall bill



1 departments and agencies at the end of the first fiscal quarter for
2 the 1% charge authorized by section 5 of article XI of the state
3 constitution of 1963. Payments shall be made for the total amount
4 of the billing by the end of the second fiscal quarter.

5 Sec. 205. (1) A hiring freeze is imposed on the state
6 classified civil service. State departments and agencies are
7 prohibited from hiring any new full-time state classified civil
8 service employees and prohibited from filling any vacant state
9 classified civil service positions. This hiring freeze does not
10 apply to internal transfers of classified employees from 1 position
11 to another within a department.

12 (2) The state budget director shall grant exceptions to this
13 hiring freeze when the state budget director believes that the
14 hiring freeze will result in rendering a state department or agency
15 unable to deliver basic services, cause loss of revenue to the
16 state, result in the inability of the state to receive federal
17 funds, or necessitate additional expenditures that exceed any
18 savings from maintaining a vacancy. The state budget director shall
19 report quarterly to the chairpersons of the senate and house of
20 representatives standing committees on appropriations the number of
21 exceptions to the hiring freeze approved during the previous
22 quarter and the reasons to justify the exceptions.

23 Sec. 207. At least 60 days before beginning any effort to
24 privatize, the department shall submit a complete project plan to
25 the appropriate senate and house of representatives appropriations
26 subcommittees and the senate and house fiscal agencies. The plan
27 shall include the criteria under which the privatization initiative



1 will be evaluated. The evaluation shall be completed and submitted
2 to the appropriate senate and house of representatives
3 appropriations subcommittees and the senate and house fiscal
4 agencies within 30 months.

5 Sec. 208. The department shall use the Internet to fulfill the
6 reporting requirements of this article. This may include
7 transmission of reports via electronic mail to the recipients
8 identified for each reporting requirement or it may include
9 placement of reports on an Internet or Intranet site.

10 Sec. 209. Within 14 days after the release of the executive
11 budget recommendation, the department shall provide the state
12 budget director, the senate and house appropriations subcommittees
13 on natural resources, and the senate and house fiscal agencies with
14 an annual report on estimated restricted fund balances, projected
15 revenues, and expenditures for the fiscal years ending September
16 30, 2005 and September 30, 2006.

17 Sec. 211. (1) From the funds appropriated under part 1, the
18 department shall prepare a report that lists all of the following
19 regarding grant, loan, or grant and loan programs administered by
20 the department for the fiscal year ending on September 30, 2006:

21 (a) The name of each program.

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

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

27 (d) The amount of any required match, and whether in-kind



1 contributions may be used as part or all of a required match.

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

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

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

9 (h) A listing of all recipients of grants or loans awarded by
10 the department by type and amount of grant or loan during the
11 fiscal year ending September 30, 2005.

12 (2) The reports required under this section shall be submitted
13 to the state budget director, the senate and house appropriations
14 committees and the senate and house fiscal agencies by January 1,
15 2006.

16 Sec. 212. Appropriations of state restricted game and fish
17 protection funds have been made to the following departments and
18 agencies in their respective appropriation acts. The amounts
19 appropriated to these departments and agencies are listed below:

20	Department of civil service	\$	293,200
21	Legislative auditor general		21,400
22	Attorney general		704,600
23	Department of management and budget		220,900
24	Department of treasury		4,200

25 Sec. 213. (1) Before January 16, 2006, the department, in
26 cooperation with the Michigan state waterways commission, shall
27 report to the state budget director, the senate and house fiscal



1 agencies, and the senate and house of representatives
2 appropriations subcommittees on natural resources detailing
3 operations of the Michigan state waterways commission for the
4 preceding 1-year period.

5 (2) The department, in cooperation with the Michigan state
6 waterways commission, shall determine which projects should be
7 acquired or developed with money from the state waterways fund or
8 harbor development fund and shall submit to the state budget
9 director, the senate and house fiscal agencies, and the senate and
10 house of representatives appropriations subcommittees on natural
11 resources in January 2006 a list of those projects, compiled in
12 order of priority. The list shall be accompanied by estimates of
13 total costs for the proposed projects.

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

18 Sec. 214. The department shall develop a plan for allocating
19 restricted funds among department administrative support and
20 regulatory activities. This plan shall be submitted to the house
21 and senate appropriations subcommittees on natural resources by
22 January 30, 2006. This plan shall include a cost allocation plan
23 for financial services support, office space rent and building
24 occupancy charges, support division service for information systems
25 and technology, and a methodology to use information generated
26 through activity reports that identifies the percentage of employee
27 time spent on restricted fund activities.



1 Sec. 215. Pursuant to section 43703(3) of the natural
2 resources and environmental protection act, 1994 PA 451, MCL
3 324.43703, there is appropriated from the game and fish protection
4 trust fund to the game and fish protection fund, \$6,000,000.00 for
5 the fiscal year ending September 30, 2006.

6 Sec. 216. From the funds appropriated in part 1 for
7 information technology, departments and agencies shall pay user
8 fees to the department of information technology for technology-
9 related services and projects. Such user fees shall be subject to
10 provisions of an interagency agreement between the department and
11 the department of information technology.

12 Sec. 217. Amounts appropriated in part 1 for information
13 technology may be designated as work projects and carried forward
14 to support technology projects under the direction of the
15 department of information technology. Funds designated in this
16 manner are not available for expenditure until approved as work
17 projects under section 451a of the management and budget act, 1984
18 PA 431, MCL 18.1451a.

19 Sec. 218. (1) Due to the current budgetary problems in this
20 state, out-of-state travel for the fiscal year ending September 30,
21 2006 shall be limited to situations in which 1 or more of the
22 following conditions apply:

23 (a) The travel is required by legal mandate or court order or
24 for law enforcement purposes.

25 (b) The travel is necessary to protect the health or safety of
26 Michigan citizens or visitors or to assist other states in similar
27 circumstances.



1 (c) The travel is necessary to produce budgetary savings or to
2 increase state revenues, including protecting existing federal
3 funds or securing additional federal funds.

4 (d) The travel is necessary to comply with federal
5 requirements.

6 (e) The travel is necessary to secure specialized training for
7 staff that is not available within this state.

8 (f) The travel is financed entirely by federal or nonstate
9 funds.

10 (2) If out-of-state travel is necessary but does not meet 1 or
11 more of the conditions in subsection (1), the state budget director
12 may grant an exception to allow the travel. Any exceptions granted
13 by the state budget director shall be reported on a monthly basis
14 to the house and senate appropriations committees.

15 (3) Not later than January 1 of each year, each department
16 shall prepare a travel report listing all travel by classified and
17 unclassified employees outside this state in the immediately
18 preceding fiscal year that was funded in whole or in part with
19 funds appropriated in the department's budget. The report shall be
20 submitted to the chairs and members of the house and senate
21 appropriations committees, the fiscal agencies, and the state
22 budget director. The report shall include the following
23 information:

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

26 (b) The destination of each travel occurrence.

27 (c) The dates of each travel occurrence.



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

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

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

10 Sec. 219. Funds appropriated in part 1 shall not be used for
11 the purchase of foreign goods or services, or both, if
12 competitively priced and comparable quality American goods or
13 services, or both, are available. Preference should be given to
14 goods or services, or both, manufactured or provided by Michigan
15 businesses if they are competitively priced and of comparable
16 quality.

17 Sec. 220. The department shall not take disciplinary action
18 against an employee for communicating with a member of the
19 legislature or his or her staff.

20 **ADMINISTRATIVE SERVICES**

21 Sec. 401. The department may charge the appropriations
22 contained in part 1, including all special maintenance and capital
23 projects appropriated for the fiscal year ending September 30,
24 2006, for engineering services provided, a standard percentage fee
25 to recover actual costs. The department may use the revenue derived
26 to support the engineering services charges provided for in part 1.



1 Sec. 402. The department may charge land acquisition projects
2 appropriated for the fiscal year ending September 30, 2006, and for
3 prior fiscal years, a standard percentage fee to recover actual
4 costs, and may use the revenue derived to support the land
5 acquisition service charges provided for in part 1.

6 Sec. 403. The department may charge both application fees and
7 transaction fees related to the exchange or sale of state-owned
8 land or rights in land authorized by part 21 of the natural
9 resources and environmental protection act, 1994 PA 451, MCL
10 324.2101 to 324.2162. The fees shall be set by the director at a
11 rate which allows the department to recover its costs for providing
12 these services.

13 Sec. 404. The department shall prominently display in a
14 prominent place in the fishing guide provided to each licensed
15 fisher and paid for from the funds appropriated in part 1, the
16 website for the department of community health. In addition, the
17 fishing guide shall include information on alternative sources
18 where interested parties without Internet access may find
19 information on fish advisories issued by the department of
20 community health.

21 Sec. 405. The department shall report quarterly on all land
22 transactions completed by the department in the previous fiscal
23 quarter. For each land transaction, the report shall include, but
24 not be limited to, the size of the parcel, the county and
25 municipality in which the parcel is located, the dollar amount of
26 the transaction, the fund source affected by the transaction, and
27 the type of transaction, such as purchase, public auction,



1 transfer, exchange, or conveyance. The report shall be submitted to
2 the senate and house appropriations subcommittees on natural
3 resources within 21 days after the end of each fiscal quarter.

4 Sec. 406. As a condition of expenditure of appropriations
5 under part 1, the department shall make available for sale any
6 turkey hunting licenses not allotted through the annual lottery
7 sale process before the beginning day of the turkey hunting season.

8 **WILDLIFE MANAGEMENT**

9 Sec. 501. Of the funds appropriated in part 1, the department
10 shall reimburse the department of agriculture for costs incurred
11 for indemnification payments for livestock losses caused by wolves
12 or coyotes under the animal industry act, 1988 PA 466, MCL 287.701
13 to 287.745.

14 Sec. 502. By September 30, 2006, the department shall submit
15 to the state budget director, the chairs of the senate and house
16 appropriations subcommittees on natural resources, and the senate
17 and house fiscal agencies a report on the population of bobcats in
18 the Lower Peninsula of the state and the impact of bobcat harvest
19 on the population. The department and the commission are urged to
20 prohibit the trapping of bobcats in the Lower Peninsula until the
21 report is released.

22 Sec. 503. From the funds appropriated in part 1, the
23 department shall consult with other states, provinces, and relevant
24 nonprofit organizations in the Great Lakes basin and create a
25 regional action plan to manage the cormorant, including the
26 potential for lethal control. By December 31, 2005, the department



1 shall submit the action plan to the state budget director, the
2 senate and house appropriations committees, and the senate and
3 house fiscal agencies.

4 **FISHERIES MANAGEMENT**

5 Sec. 601. As a condition of expenditure of fisheries
6 management appropriations under part 1, the department shall not
7 impede the certification process for water control structures on
8 Michigan waterways. The department shall fund from funds
9 appropriated in part 1 all non-water-quality studies or
10 requirements that the department requests of either of the
11 following:

12 (a) The department of environmental quality as a condition for
13 issuance of a certification under the federal water pollution
14 control act, 33 USC 1341.

15 (b) The federal energy regulatory commission as a condition of
16 licensing under the federal power act, 16 USC 791a to 825r.

17 Sec. 602. (1) From the appropriation in part 1 for aquatic
18 resource mitigation, not more than \$758,000.00 shall be allocated
19 for grants to watershed councils, resource development councils,
20 soil conservation districts, local governmental units, and other
21 nonprofit organizations for stream habitat stabilization and soil
22 erosion control.

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

25 **PARKS AND RECREATION**



1 Sec. 701. Pursuant to section 1902(2) of the natural resources
2 and environmental protection act, 1994 PA 451, MCL 324.1902, there
3 is appropriated from the Michigan natural resources trust fund to
4 the Michigan state parks endowment fund an amount not to exceed
5 \$10,000,000.00 for the fiscal year ending September 30, 2006.

6 Sec. 702. (1) The department shall prepare detailed reports
7 for construction projects in state parks that will involve campsite
8 or campground closures. These reports shall include expected costs,
9 impacts on recreation opportunities, impacts on state park
10 revenues, and the expected impact on state park users. The
11 department shall also prepare reports on average monthly campground
12 occupancy rates for every state park during the previous summer
13 season. The department shall provide reports described in this
14 subsection to the house and senate appropriations subcommittees on
15 natural resources and the house and senate fiscal agencies not
16 later than April 1, 2006.

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

21 Sec. 703. From the funds appropriated in part 1, the
22 department shall maintain an appropriate number of defibrillators
23 in state parks. State parks shall accept donations of
24 defibrillators.

25 Sec. 704. By September 30, 2006, the department shall report
26 to the senate and house appropriations subcommittees on natural
27 resources and the senate and house fiscal agencies any misuse of



1 complimentary or discounted day passes at state recreational
2 facilities during the 2005-2006 fiscal year.

3 Sec. 705. The department shall not alter or halt operations of
4 the ski hill or demolish buildings related to the ski hill, the
5 assistant manager residence, the 3-unit apartment building, or the
6 carpenter's shop and garage in Porcupine Mountains wilderness state
7 park. The department shall collaborate with travel Michigan for the
8 marketing and promotion of the ski hill.

9 Sec. 706. By July 1, 2006, the department shall submit to the
10 state budget director, the chairs of the senate and house
11 appropriations subcommittees on natural resources, and the senate
12 and house fiscal agencies a report on the viability of adopting a
13 corporate sponsorship program in selected areas within state parks,
14 including details of such a program. The department shall work with
15 the state park advisory committee in preparing the report.

16 **FOREST, MINERAL, AND FIRE MANAGEMENT**

17 Sec. 801. The appropriation for the adopt-a-forest program in
18 part 1 shall be used to cover the cost of disposing of waste
19 material collected from state forestlands.

20 Sec. 802. In addition to the funds appropriated in part 1,
21 \$350,000.00 is appropriated to cover costs related to any declared
22 emergency involving the collapse of any abandoned mine shaft
23 located on state land. This appropriation shall not be expended
24 unless the state budget director recommends the expenditure and the
25 department notifies the house and senate committees on
26 appropriations.



1 Sec. 803. As a condition of expenditure of appropriations in
2 part 1 from forest development funds, on October 15, 2005 the
3 department shall provide \$1,000,000.00 from cooperative resources
4 programs as an interdepartmental grant to the department of
5 agriculture for the cooperative resources management initiative
6 program for the purposes of supporting forestry programs in local
7 conservation districts.

8 Sec. 804. Of the funds appropriated in part 1, the department
9 shall, subject to the forest certification process, prescribe
10 appropriate treatment on not less than 63,000 acres at the current
11 average rate of 12.5 to 13 cords per acre, and put those cords up
12 for sale in 2006, provided that the department shall take into
13 consideration the impact of timber harvesting on wildlife habitat
14 and recreation uses. The department shall, subject to the forest
15 certification process, increase marking or treatment of hardwood
16 timber for sale and harvest by 10% over 2004 levels. In addition,
17 the department shall take into consideration silvicultural analysis
18 and report annually to the legislature on plans and efforts to
19 address factors limiting management of timber. The department shall
20 provide quarterly reports on the number of acres treated, pursuant
21 to this section, to the senate and house appropriation
22 subcommittees on natural resources and the standing committees of
23 the senate and house of representatives with primary responsibility
24 for natural resources issues.

25 Sec. 805. The department shall spend amounts appropriated in
26 part 1 for forest-related activities to employ or contract for
27 additional foresters to mark timber, pursuant to section 804.



1 Sec. 806. From the funds appropriated in part 1, the
2 department shall develop a motorized snowmobile trail connecting
3 Gaylord and Cheboygan.

4 Sec. 807. The department shall submit to the senate and house
5 standing committees on natural resources and the senate and house
6 appropriations subcommittees on natural resources and the senate
7 and house fiscal agencies by May 1, 2006 a report that provides a
8 comprehensive plan to expand current off-road vehicle trail mileage
9 by at least 25% over the next 4 years.

10 **LAW ENFORCEMENT**

11 Sec. 901. The appropriation in part 1 for snowmobile law
12 enforcement grants shall be used to provide grants to county law
13 enforcement agencies to enforce part 821 of the natural resources
14 and environmental protection act, 1994 PA 451, MCL 324.82101 to
15 324.82160, including rules promulgated under that part and
16 ordinances enacted pursuant to that part. The department shall
17 consider the number of enforcement hours and the number of miles of
18 snowmobile trails in each county in allocating these grants. Any
19 funds not distributed to counties revert back to the snowmobile
20 registration fee fund created under section 82111 of the natural
21 resources and environmental protection act, 1994 PA 451, MCL
22 324.82111. Counties shall provide semiannual reports to the
23 department.

24 **GRANTS**

25 Sec. 1101. Federal pass-through funds to local institutions



1 (d) "Mobility" means people and goods move around the state
2 quickly and efficiently.

3 (e) "Prepared for jobs" means people are prepared for jobs and
4 the new economy.

5 (f) "Resource conservation" means our natural resources are
6 conserved and protected.

7 (g) "Safety" means people are safe where they live, work, and
8 play.

9 (h) "Thriving economy" means the economy is thriving and
10 people are working.

11 (i) "Vulnerable" means the most vulnerable live free from harm
12 and as self-sufficiently as possible.