

the clerk. A fee of \$15.00 shall be charged and collected for the issuance of a writ of execution, attachment, or garnishment and for the issuance of a judgment debtor discovery subpoena. Except as otherwise provided in this chapter, a fee or charge shall not be collected by an officer for any service rendered under this chapter or for the taking of affidavits for use in connection with any action commenced under this chapter.

(3) Of each filing fee under subsection (1)(a) collected within the month, at the end of each month, the clerk shall transmit \$11.00 to the treasurer of the district funding unit in which the action was commenced, of which not less than \$5.00 shall be used by the district funding unit to fund a drug treatment court if one is planned, established, or operated in that judicial district. If the entire amount attributable to the \$5.00 portion is not needed for the operation of a drug treatment court, the balance that is not needed for that purpose shall be used for the operation of the district court. If a drug treatment court is not planned, established, or operated in that judicial district, all \$11.00 shall be used for the operation of the district court. The clerk of the district court shall transmit the balance of the filing fee to the state treasurer for deposit in the civil filing fee fund created in section 171.

(4) Of each filing fee under subsection (1)(b) collected within the month, at the end of each month, the clerk shall transmit \$17.00 to the treasurer of the district funding unit in which the action was commenced, of which not less than \$5.00 shall be used by the district funding unit to fund a drug treatment court if one is planned, established, or operated in that judicial district. If the entire amount attributable to the \$5.00 portion is not needed for the operation of a drug treatment court, the balance that is not needed for that purpose shall be used for the operation of the district court. If a drug treatment court is not planned, established, or operated in that judicial district, all \$17.00 shall be used for the operation of the district court. The clerk of the district court shall transmit the balance of the filing fee to the state treasurer for deposit in the civil filing fee fund created in section 171.

(5) Of each filing fee under subsection (1)(c) collected within the month, at the end of each month, the clerk shall transmit \$23.00 to the treasurer of the district funding unit in which the action was commenced, of which not less than \$5.00 shall be used by the district funding unit to fund a drug treatment court if one is planned, established, or operated in that judicial district. If the entire amount attributable to the \$5.00 portion is not needed for the operation of a drug treatment court, the balance that is not needed for that purpose shall be used for the operation of the district court. If a drug treatment court is not planned, established, or operated in that judicial district, all \$23.00 shall be used for the operation of the district court. The clerk of the district court shall transmit the balance of the filing fee to the state treasurer for deposit in the civil filing fee fund created in section 171.

(6) If the affidavit and notice to appear and answer are served by personal service, the person serving the process is entitled to the same fee and mileage as for the service of a summons and complaint out of the district court.

This act is ordered to take immediate effect.

Approved September 30, 2005.

Filed with Secretary of State September 30, 2005.

[No. 152]

(HB 4963)

AN ACT to amend 2000 PA 77, entitled "An act to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles

operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,” by amending sections 625, 803l, 804, and 904 (MCL 257.625, 257.803l, 257.804, and 257.904), sections 625 and 904 as amended by 1999 PA 73, 803l as amended by 1998 PA 68, and section 804 as amended by 1995 PA 129, and by adding sections 6d, 17b, 30b, 811d, 811e, 811f, 811g, and 811h; and to repeal acts and parts of acts,” by repealing enacting section 1.

The People of the State of Michigan enact:

Repeal of enacting section 1 of 2000 PA 77.

Enacting section 1. Enacting section 1 of 2000 PA 77 is repealed.

This act is ordered to take immediate effect.

Approved September 30, 2005.

Filed with Secretary of State September 30, 2005.

[No. 153]

(SB 564)

AN ACT to amend 2001 PA 142, entitled “An act to consolidate prior acts naming certain Michigan highways; to provide for the naming of certain highways; to prescribe certain duties of the state transportation department; and to repeal acts and parts of acts and certain resolutions,” (MCL 250.1001 to 250.2080) by adding section 97.

The People of the State of Michigan enact:

250.1097 “AMVETS Memorial Scenic Drive”.

Sec. 97. Highway M-46 from the intersection of M-24 and M-46 in Tuscola county and continuing east to the intersection of M-53 and M-46 in Sanilac county shall be known as the “AMVETS Memorial Scenic Drive”.

This act is ordered to take immediate effect.

Approved September 30, 2005.

Filed with Secretary of State September 30, 2005.

[No. 154]**(HB 4831)**

AN ACT 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:

ARTICLE 2

COMMUNITY COLLEGES

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations for fiscal year ending September 30, 2006; community colleges.

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 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:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	281,327,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	281,327,400
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	281,327,400

Operations (prepared for jobs).**Sec. 102. OPERATIONS (PREPARED FOR JOBS)**

Alpena Community College	\$	4,777,100
Bay de Noc Community College		4,618,500
Delta College		12,917,100
Glen Oaks Community College		2,167,100
Gogebic Community College		3,951,500
Grand Rapids Community College		16,247,500
Henry Ford Community College		19,800,700
Jackson Community College		10,960,800
Kalamazoo Valley Community College		11,183,600
Kellogg Community College		8,786,700
Kirtland Community College		2,666,800
Lake Michigan College		4,728,900

	For Fiscal Year Ending Sept. 30, 2006
Lansing Community College	\$ 28,097,100
Macomb Community College	29,978,600
Mid Michigan Community College	3,999,100
Monroe County Community College.....	3,890,800
Montcalm Community College	2,814,300
C.S. Mott Community College.....	14,205,400
Muskegon Community College.....	8,083,900
North Central Michigan College.....	2,738,100
Northwestern Michigan College	8,248,900
Oakland Community College	18,910,900
St. Clair County Community College	6,334,300
Schoolcraft College.....	11,098,900
Southwestern Michigan College.....	5,958,000
Washtenaw Community College.....	11,280,600
Wayne County Community College	14,582,200
West Shore Community College.....	2,077,300
GROSS APPROPRIATION.....	\$ 275,104,700
Appropriated from:	
State general fund/general purpose	\$ 275,104,700

Grants (prepared for jobs).

Sec. 103. GRANTS (PREPARED FOR JOBS)

At-risk student success program.....	\$ 3,322,700
Renaissance zone tax reimbursement funding.....	2,900,000
GROSS APPROPRIATION.....	\$ 6,222,700
Appropriated from:	
State general fund/general purpose	\$ 6,222,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

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	2,900,000
TOTAL	\$ 281,327,400

Appropriations subject to MCL 18.1101 to 18.1594.

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.

Use of Internet; submission of reports.

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.

Accelerated entrepreneurship curriculum.

Sec. 208. The department of labor and economic growth shall work collaboratively with community colleges to develop an accelerated entrepreneurship curriculum, including an associate degree, to provide students with the skills and knowledge needed for creating their own businesses. The department shall annually submit a report on the results of its work with the community colleges under this section to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director.

Purchase of foreign goods or services.

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

Businesses in deprived and depressed communities; contracts to provide services or supplies.

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

Community colleges; payments; installments; use.

Sec. 211. (1) The money appropriated in this article is appropriated for community colleges with fiscal years ending June 30, 2006, and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2005. Each community college shall accrue its July and August 2006 payments to its institutional fiscal year ending June 30, 2006. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2004-2005 to the department of labor and economic growth by November 1, 2005, the monthly installments shall be withheld from that community college until those data are submitted. The amount from the money appropriated in part 1 that is allocated to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2005. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this article.

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

Community colleges; contributions to Michigan public school employees' retirement system.

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

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

Construction or maintenance of self-liquidating project; approval.

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

Infrastructure, technology, equipment, and maintenance funding; alternatives for special maintenance projects.

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

Community colleges; collaboration and cooperation with 4-year universities.

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

Health care coverage for abortion services; prohibition.

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

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

Employee benefits to unmarried partners; prohibition.

Sec. 231. In light of sections 1, 3, and 4 of 1846 RS 83, MCL 551.1, 551.3, and 551.4, and section 1 of 1939 PA 168, MCL 551.271, the legislature intends that a community college

receiving funding under this article shall not use part 1 money to extend employee benefits to the unmarried partners of the community college's employees except for pre- and post-natal costs.

Equal opportunity; diversity.

Sec. 234. Community colleges shall do the following:

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

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

College credits earned through postsecondary enrollment options act; acceptance and application; formation of workgroup.

Sec. 235. It is the intent of the legislature that a workgroup be formed to evaluate, discuss, and make recommendations for future action regarding state university admission and enrollment policies that specifically address the acceptance and application of college credits earned by students through the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524. The Michigan community college association may create and administer the workgroup and is encouraged to include members representing university and K-12 school organizations. The workgroup shall submit a report containing its findings and recommendations to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by March 1, 2006.

Reciprocal tuition agreements; review and approval; out-of-state students.

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

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

State payments in lieu of taxes; formation of workgroup.

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

Eligibility of part-time faculty for optional retirement plan; formation of workgroup.

Sec. 238. It is the intent of the legislature that a workgroup that includes members of the legislature and the Michigan community colleges association be formed to evaluate, discuss, and make recommendations regarding the impact of expanding eligibility for the optional retirement plan established in section 3 of the optional retirement act of 1967, 1967 PA 156, MCL 38.383, to include faculty employed by community colleges on a part-time

basis. The workgroup shall submit a report containing its findings and recommendations to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by March 1, 2006.

Community colleges; increased appropriation.

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

Economic development job training grant money; award to community colleges.

Sec. 240. The legislature intends that not less than 70% of the economic development job training grant money be awarded to community colleges or a consortium of community colleges and other eligible applicants as provided in the budget that appropriated the economic development job training grant money. Further, the legislature intends that at least a portion of the total appropriation for economic development job training grants be awarded to community colleges that offer certified programs that are bureau of apprenticeship training certified. The Michigan economic development corporation shall report by November 1 of each year to the house and senate appropriations subcommittees on community colleges and the senate and house fiscal agencies the names of the community colleges awarded grant money under this section, the amount of the grants awarded, and the percentage awarded to bureau of apprenticeship training certified programs.

Nursing education programs; expansion.

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

Performance indicators; formation of task force.

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

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

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

(c) Four representatives of Michigan public community colleges. The Michigan community colleges association shall designate 1 representative from each of the 4 groups described in the activities classification structure data book published by the department of labor and economic growth under section 501.

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

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

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

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

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

(e) Degree and certificate completion rates.

(f) Student transfer rates.

(g) Performance at transfer institutions.

(h) Student goal attainment.

(i) Placement and wage rates.

(j) Number of dual enrollment participants.

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

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

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

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

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

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

General fund/general purpose revenues; effect of higher estimated amount.

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

STATE AID - OPERATIONS

Reporting data.

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this article are as defined in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, which shall be the basis for reporting data, and the 2003 Activities Classification Structure Manual for Michigan Community Colleges, which shall be used to document financial needs of the community colleges.

Incarcerated students; exclusion from enrollment data.

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

Community college audit; return of overappropriated money.

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

Gast-Mathieu fairness in funding formula; full funding.

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

Community college operations.

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

GRANTS

At-risk student success program.

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

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

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

Alpena Community College	\$	76,300
Bay de Noc Community College		91,300

Delta College	97,100
Glen Oaks Community College	123,600
Gogebic Community College.....	66,200
Grand Rapids Community College.....	117,200
Henry Ford Community College	146,300
Jackson Community College.....	102,000
Kalamazoo Valley Community College.....	89,700
Kellogg Community College	155,100
Kirtland Community College.....	125,800
Lake Michigan College	154,900
Lansing Community College	139,800
Macomb Community College.....	83,600
Mid Michigan Community College	134,400
Monroe County Community College.....	94,000
Montcalm Community College	66,700
C.S. Mott Community College.....	102,600
Muskegon Community College.....	149,700
North Central Michigan College.....	115,900
Northwestern Michigan College	123,100
Oakland Community College	144,600
St. Clair Community College.....	93,400
Schoolcraft College.....	129,000
Southwestern Michigan College.....	134,800
Washtenaw Community College.....	161,700
Wayne County Community College	174,900
West Shore Community College.....	129,000

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

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

(b) Are diagnosed as learning disabled.

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

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

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

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

Renaissance zone reimbursements.

Sec. 404. The appropriation in part 1 for renaissance zone reimbursements shall be made to each eligible recipient no later than 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts due each eligible recipient under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

REPORTS AND AUDITS**Activities classification structure data book; publication.**

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

Audits; random selection.

Sec. 502. (1) The auditor general or an independent public accounting firm appointed by the auditor general shall audit data for the fiscal year ending on June 30, 2005, as submitted to the department of labor and economic growth by 7 randomly selected community colleges, selected by the auditor general. A community college shall maintain and provide those records necessary for the auditor general or certified public accountant appointed by the auditor general to determine the accuracy of the reported data. The audits shall be based upon the definitions and requirements contained in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges and the 2003 Activities Classification Structure Manual for Michigan Community Colleges. Before the submission of a final audit report, a community college may appeal the findings of the preliminary report under an appeal process to be established by the auditor general. The auditor general shall submit a report of the findings to the house and senate appropriations committees, the department of labor and economic growth, and the state budget director before June 1, 2006.

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

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

Taxonomy.

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

Class summaries, class lists, registration documents, and student transcripts; contracts; retention.

Sec. 504. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

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

Annual audit.

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

Indian student tuition waivers.

Sec. 506. (1) Each community college shall report the following to the department of labor and economic growth no later than November 1, 2005:

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

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

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

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

Aggregate academic status of students; informing interested Michigan high schools.

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

Report of tuition and fees.

Sec. 508. (1) Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth by August 31, 2005, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2005-2006 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2005-2006 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth within 15 days of being adopted.

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

Associate degrees and other certificates; report on numbers and type; compilation.

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

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

Crime awareness and campus security.

Sec. 510. A community college receiving funding under this article and also subject to the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, shall make a copy of all material prepared in accordance with the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2384, available in hard copy and electronic format accessible through the Internet for school districts, parents, and students.

Audit and reporting requirements; use of on-site visits, evaluations, audits, and similar activities.

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

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

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

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

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

Tax revenue losses to community colleges resulting from TIFA and tax abatements; report.

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

- (a) Estimated revenue losses for each community college for the calendar year 2005.
- (b) Confirmed revenue losses for each community college for the calendar years 2003 and 2004.
- (c) Other requirements requested by the house and senate appropriations subcommittees on community colleges.

ARTICLE 3

DEPARTMENT OF COMMUNITY HEALTH

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations for fiscal year ending September 30, 2006; department of community health.

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of community health 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 COMMUNITY HEALTH

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0
Full-time equated classified positions.....	4,668.6
Average population	1,135.0
GROSS APPROPRIATION.....	\$ 10,326,194,000

For Fiscal Year
Ending Sept. 30,
2006

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 34,090,000
ADJUSTED GROSS APPROPRIATION	\$ 10,292,104,000
Federal revenues:	
Total federal revenues.....	5,533,597,400
Special revenue funds:	
Total local revenues	231,524,400
Total private revenues.....	59,073,800
Merit award trust fund.....	50,300,000
Tobacco settlement trust fund	72,000,000
Total other state restricted revenues.....	1,393,709,000
State general fund/general purpose	\$ 2,951,899,400

Departmentwide administration (health).

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

(HEALTH)

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	207.0	
Director and other unclassified—6.0 FTE positions		\$ 581,500
Community health advisory council		7,000
Departmental administration and management—		
197.0 FTE positions.....		21,565,900
Worker’s compensation program		8,558,700
Rent and building occupancy		8,700,400
Developmental disabilities council and projects—		
10.0 FTE positions.....		2,679,800
GROSS APPROPRIATION		\$ 42,093,300
Appropriated from:		
Federal revenues:		
Total federal revenues.....		11,518,800
Special revenue funds:		
Total private revenues.....		35,900
Total other state restricted revenues.....		3,419,300
State general fund/general purpose		\$ 27,119,300

Mental health/substance abuse services.

Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE

SERVICES ADMINISTRATION AND SPECIAL PROJECTS

(HEALTH)

Full-time equated classified positions	112.0	
Mental health/substance abuse program administration—		
111.0 FTE positions.....		\$ 11,959,200
Consumer involvement program		189,100
Gambling addiction—1.0 FTE position.....		3,500,000
Protection and advocacy services support.....		777,400
Mental health initiatives for older persons.....		1,049,200
Community residential and support services		2,971,200
Highway safety projects		750,000
Federal and other special projects		3,895,400

	For Fiscal Year Ending Sept. 30, 2006
Family support subsidy	\$ 17,935,000
Housing and support services	7,237,200
GROSS APPROPRIATION	\$ 50,263,700
Appropriated from:	
Federal revenues:	
Total federal revenues	32,310,500
Special revenue funds:	
Total private revenues	190,000
Total other state restricted revenues	4,127,900
State general fund/general purpose	\$ 13,635,300

Community mental health/substance abuse services programs (health).

Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS (HEALTH)

Full-time equated classified positions	9.5
Medicaid mental health services	\$ 1,577,446,000
Community mental health non-Medicaid services	312,598,300
Medicaid adult benefits waiver	40,000,000
Multicultural services	4,963,800
Medicaid substance abuse services	33,486,700
Respite services	1,000,000
CMHSP, purchase of state services contracts	125,727,300
Civil service charges	1,765,500
Federal mental health block grant—2.5 FTE positions	15,345,200
State disability assistance program substance abuse services	2,509,800
Community substance abuse prevention, education, and treatment programs	85,219,100
Children's waiver home care program	19,549,800
Omnibus reconciliation act implementation—7.0 FTE positions	12,475,700
GROSS APPROPRIATION	\$ 2,232,087,200
Appropriated from:	
Federal revenues:	
Total federal revenues	1,041,901,100
Special revenue funds:	
Total local revenues	26,072,100
Total other state restricted revenues	98,485,800
State general fund/general purpose	\$ 1,065,628,200

State psychiatric hospitals, centers for persons with developmental disabilities, and forensic and prison mental health services (health).

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

Total average population	1,135.0
Full-time equated classified positions	2,976.2
Caro regional mental health center - psychiatric hospital - adult—475.7 FTE positions	\$ 40,325,200
Average population	205.0

	For Fiscal Year Ending Sept. 30, 2006
Kalamazoo psychiatric hospital - adult—518.1 FTE positions	\$ 41,040,900
Average population	200.0
Walter P. Reuther psychiatric hospital - adult—	
444.6 FTE positions.....	40,211,100
Average population	240.0
Hawthorn center - psychiatric hospital - children and adolescents—	
224.4 FTE positions.....	20,077,900
Average population	66.0
Mount Pleasant center - developmental disabilities—	
496.0 FTE positions.....	38,780,500
Average population	199.0
Center for forensic psychiatry—493.0 FTE positions	46,871,200
Average population	225.0
Forensic mental health services provided to the department of	
corrections—313.4 FTE positions.....	32,844,800
Revenue recapture	750,000
IDEA, federal special education	120,000
Special maintenance and equipment	335,300
Purchase of medical services for residents of hospitals and centers...	2,045,600
Closed site, transition, and related costs—11.0 FTE positions.....	637,600
Severance pay	216,900
Gifts and bequests for patient living and treatment environment....	1,000,000
GROSS APPROPRIATION.....	\$ 265,257,000
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of corrections.....	32,844,800
Federal revenues:	
Total federal revenues	34,070,500
Special revenue funds:	
CMHSP, purchase of state services contracts	125,727,300
Other local revenues	15,146,200
Total private revenues.....	1,000,000
Total other state restricted revenues	10,157,100
State general fund/general purpose	\$ 46,311,100

Public health administration (health).

Sec. 106. PUBLIC HEALTH ADMINISTRATION

(HEALTH)

Full-time equated classified positions	83.4
Public health administration—11.0 FTE positions.....	\$ 1,685,100
Minority health grants and contracts	1,550,000
Vital records and health statistics—72.4 FTE positions.....	7,458,800
GROSS APPROPRIATION.....	\$ 10,693,900
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services...	710,500
Federal revenues:	
Total federal revenues	2,765,100
Special revenue funds:	
Total other state restricted revenues	5,820,200
State general fund/general purpose	\$ 1,398,100

For Fiscal Year
Ending Sept. 30,
2006

Health policy, regulation, and professions (health).

Sec. 107. HEALTH POLICY, REGULATION, AND

PROFESSIONS (HEALTH)

Full-time equated classified positions	396.2	
Health systems administration—193.6 FTE positions		\$ 20,463,000
Emergency medical services program state staff— 8.5 FTE positions.....		1,336,200
Radiological health administration—25.0 FTE positions		2,372,100
Substance abuse program administration—4.0 FTE positions		430,200
Emergency medical services grants and services		702,900
Health professions—120.0 FTE positions		13,030,400
Health policy, regulation, and professions administration— 25.7 FTE positions.....		2,571,700
Nurse scholarship, education, and research program— 3.0 FTE positions.....		823,100
Certificate of need program administration—14.0 FTE positions ...		1,683,400
Rural health services—1.0 FTE position		1,377,900
Michigan essential health provider.....		1,391,700
Primary care services—1.4 FTE positions		2,546,000
GROSS APPROPRIATION.....		\$ 48,728,600
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from treasury		113,900
Federal revenues:		
Total federal revenues		19,614,400
Special revenue funds:		
Total private revenues.....		150,000
Total other state restricted revenues		21,581,900
State general fund/general purpose		\$ 7,268,400

Infectious disease control (health).

Sec. 108. INFECTIOUS DISEASE CONTROL (HEALTH)

Full-time equated classified positions	49.0	
AIDS prevention, testing, and care programs—12.0 FTE positions ..		\$ 31,502,000
Immunization local agreements		13,990,300
Immunization program management and field support— 15.0 FTE positions.....		1,860,700
Sexually transmitted disease control local agreements.....		3,494,900
Sexually transmitted disease control management and field support—22.0 FTE positions		3,555,200
GROSS APPROPRIATION.....		\$ 54,403,100
Appropriated from:		
Federal revenues:		
Total federal revenues		38,623,300
Special revenue funds:		
Total private revenues.....		3,250,500
Total other state restricted revenues		8,441,400
State general fund/general purpose		\$ 4,087,900

For Fiscal Year
Ending Sept. 30,
2006

Laboratory services (health).

Sec. 109. LABORATORY SERVICES (HEALTH)

Full-time equated classified positions.....	121.0	
Bovine tuberculosis—2.0 FTE positions		\$ 500,000
Laboratory services—119.0 FTE positions		14,969,100
GROSS APPROPRIATION.....		\$ 15,469,100
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from environmental quality.....		420,800
Federal revenues:		
Total federal revenues.....		3,058,000
Special revenue funds:		
Total other state restricted revenues.....		5,232,800
State general fund/general purpose		\$ 6,757,500

Epidemiology (health).

Sec. 110. EPIDEMIOLOGY (HEALTH)

Full-time equated classified positions.....	127.5	
AIDS surveillance and prevention program.....		\$ 2,513,200
Asthma prevention and control—2.3 FTE positions.....		1,045,600
Bioterrorism preparedness—76.1 FTE positions		50,357,000
Epidemiology administration—41.1 FTE positions.....		6,575,700
Newborn screening follow-up and treatment services—		
8.0 FTE positions.....		3,836,200
Tuberculosis control and recalcitrant AIDS program		867,000
GROSS APPROPRIATION.....		\$ 65,194,700
Appropriated from:		
Federal revenues:		
Total federal revenues.....		59,081,200
Special revenue funds:		
Total private revenues.....		25,000
Total other state restricted revenues.....		4,024,700
State general fund/general purpose		\$ 2,063,800

Local health administration and grants (health).

Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS (HEALTH)

Full-time equated classified positions.....	7.0	
Implementation of 1993 PA 133, MCL 333.17015		\$ 100,000
Lead abatement program—7.0 FTE positions.....		1,783,100
Local health services.....		220,000
Local public health operations.....		38,043,400
Medical services cost reimbursement to local health departments...		3,110,000
GROSS APPROPRIATION.....		\$ 43,256,500
Appropriated from:		
Federal revenues:		
Total federal revenues.....		4,645,500
Special revenue funds:		
Total other state restricted revenues.....		491,100
State general fund/general purpose		\$ 38,119,900

For Fiscal Year
Ending Sept. 30,
2006

Chronic disease and injury prevention and health promotion (health).

Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION (HEALTH)

Full-time equated classified positions.....	51.5	
African-American male health initiative		\$ 106,700
AIDS and risk reduction clearinghouse and media campaign.....		1,576,000
Alzheimer's information network		440,000
Cancer prevention and control program—14.3 FTE positions		14,236,200
Chronic disease prevention—1.0 FTE position.....		4,575,700
Diabetes and kidney program—9.1 FTE positions		3,678,000
Health education, promotion, and research programs— 9.3 FTE positions.....		728,600
Injury control intervention project—1.0 FTE position		527,900
Morris Hood Wayne State University diabetes outreach.....		400,000
Physical fitness, nutrition, and health		700,000
Public health traffic safety coordination—1.7 FTE positions.....		584,900
Smoking prevention program—13.1 FTE positions.....		5,477,500
Tobacco tax collection and enforcement		610,000
Violence prevention—2.0 FTE positions.....		1,892,300
GROSS APPROPRIATION.....		\$ 35,533,800
Appropriated from:		
Federal revenues:		
Total federal revenues.....		19,655,800
Special revenue funds:		
Total private revenues.....		85,000
Total other state restricted revenues.....		14,689,200
State general fund/general purpose		\$ 1,103,800

Family, maternal, and children's health services (health).

Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES (HEALTH)

Full-time equated classified positions.....	45.4	
Childhood lead program—5.8 FTE positions		\$ 2,522,300
Dental programs		485,400
Dental program for persons with developmental disabilities.....		151,000
Early childhood collaborative secondary prevention		524,000
Family, maternal, and children's health services administration— 39.6 FTE positions.....		4,419,100
Family planning local agreements		12,270,300
Local MCH services		7,264,200
Migrant health care.....		272,200
Pediatric AIDS prevention and control.....		1,176,800
Pregnancy prevention program		5,846,100
Prenatal care outreach and service delivery support		3,049,300
School health and education programs		500,000
Special projects		5,784,900
Sudden infant death syndrome program.....		321,300
GROSS APPROPRIATION.....		\$ 44,586,900

For Fiscal Year
Ending Sept. 30,
2006

Appropriated from:

Federal revenues:

Total federal revenues	\$	31,305,600
Special revenue funds:		
Total other state restricted revenues		8,464,000
State general fund/general purpose	\$	4,817,300

Women, infants, and children food and nutrition program (health).

Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM (HEALTH)

Full-time equated classified positions	41.0	
Women, infants, and children program administration and special projects—41.0 FTE positions		\$ 6,498,800
Women, infants, and children program local agreements and food costs		179,272,000
GROSS APPROPRIATION		\$ 185,770,800

Appropriated from:

Federal revenues:

Total federal revenues		132,538,400
Special revenue funds:		
Total private revenues		53,232,400
State general fund/general purpose	\$	0

Children’s special health care services (health).

Sec. 115. CHILDREN’S SPECIAL HEALTH CARE SERVICES (HEALTH)

Full-time equated classified positions	43.0	
Children’s special health care services administration—43.0 FTE positions		\$ 3,828,700
Amputee program		184,600
Bequests for care and services		1,889,100
Outreach and advocacy		3,773,500
Conveyor contract		1,235,300
Medical care and treatment		177,626,400
GROSS APPROPRIATION		\$ 188,537,600

Appropriated from:

Federal revenues:

Total federal revenues		90,824,200
Special revenue funds:		
Total private revenues		1,000,000
Total other state restricted revenues		2,450,000
State general fund/general purpose	\$	94,263,400

Office of drug control policy (safety).

Sec. 116. OFFICE OF DRUG CONTROL POLICY (SAFETY)

Full-time equated classified positions	16.0	
Drug control policy—16.0 FTE positions		\$ 2,104,200
Anti-drug abuse grants		24,970,300
Interdepartmental grant to judiciary for drug treatment courts		1,800,000
GROSS APPROPRIATION		\$ 28,874,500

For Fiscal Year
Ending Sept. 30,
2006

Appropriated from:

Federal revenues:

Total federal revenues \$ 28,516,200

Special revenue funds:

State general fund/general purpose \$ 358,300

Crime victim services commission (vulnerable).

Sec. 117. CRIME VICTIM SERVICES COMMISSION

(VULNERABLE)

Full-time equated classified positions10.0

Grants administration services—10.0 FTE positions \$ 1,044,900

Justice assistance grants 13,000,000

Crime victim rights services grants 9,655,300

GROSS APPROPRIATION \$ 23,700,200

Appropriated from:

Federal revenues:

Total federal revenues 14,622,200

Special revenue funds:

Total other state restricted revenues 9,078,000

State general fund/general purpose \$ 0

Office of services to the aging (vulnerable).

Sec. 118. OFFICE OF SERVICES TO THE AGING

(VULNERABLE)

Full-time equated classified positions36.5

Commission (per diem \$50.00) \$ 10,500

Office of services to aging administration—36.5 FTE positions 5,181,700

Community services 35,204,200

Nutrition services 37,290,500

Senior volunteer services 5,624,900

Employment assistance 2,818,300

Respite care program 7,600,000

GROSS APPROPRIATION \$ 93,730,100

Appropriated from:

Federal revenues:

Total federal revenues 52,162,700

Special revenue funds:

Total private revenues 105,000

Tobacco settlement trust fund 5,000,000

Total other state restricted revenues 2,767,000

State general fund/general purpose \$ 33,695,400

Medical services administration (health).

Sec. 119. MEDICAL SERVICES ADMINISTRATION

(HEALTH)

Full-time equated classified positions336.4

Medical services administration—336.4 FTE positions \$ 53,812,500

Facility inspection contract - labor and economic growth 132,800

MIChild administration 4,327,800

GROSS APPROPRIATION \$ 58,273,100

For Fiscal Year
Ending Sept. 30,
2006

Appropriated from:

Federal revenues:

Total federal revenues	\$	41,640,700
Special revenue funds:		
State general fund/general purpose	\$	16,632,400

Medical services (health).

Sec. 120. MEDICAL SERVICES (HEALTH)

Hospital services and therapy	\$	1,146,145,700
Hospital disproportionate share payments		50,000,000
Physician services		265,150,300
Medicare premium payments		268,143,100
Pharmaceutical services		315,001,600
Home health services		62,714,300
Transportation		8,738,300
Auxiliary medical services		104,116,300
Ambulance services		12,855,200
Long-term care services		1,885,038,300
Elder prescription insurance coverage		3,900,000
Health plan services		1,935,938,100
MICchild program		47,875,600
Medicaid adult benefits waiver		95,696,400
Maternal and child health		20,279,500
Social services to the physically disabled		1,344,900
Federal Medicare pharmaceutical program		174,855,500
County indigent care and third share plans		89,167,400
Subtotal basic medical services program		6,486,960,500
School-based services		68,621,100
Special adjustor and special DSH payments		253,689,500
Subtotal special medical services payments		322,310,600
GROSS APPROPRIATION	\$	6,809,271,100

Appropriated from:

Federal revenues:

Total federal revenues		3,856,139,300
Special revenue funds:		
Total local revenues		64,578,800
Merit award trust fund		50,300,000
Tobacco settlement trust fund		67,000,000
Total other state restricted revenues		1,191,463,900
State general fund/general purpose	\$	1,579,789,100

Information technology (health).

Sec. 121. INFORMATION TECHNOLOGY (HEALTH)

Information technology services and projects	\$	30,468,700
Michigan Medicaid information system		100
GROSS APPROPRIATION	\$	30,468,800

Appropriated from:

Federal revenues:

Total federal revenues		18,603,900
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	For Fiscal Year Ending Sept. 30, 2006
Special revenue funds:	
Total other state restricted revenues	\$ 3,014,700
State general fund/general purpose	\$ 8,850,200

PART 1A

LINE-ITEM APPROPRIATIONS

Appropriations for fiscal year ending September 30, 2005; department of community health.

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

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$ 18,800,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 18,800,000
Federal revenues:	
Total federal revenues	10,638,900
Special revenue funds:	
Total other state restricted revenues	8,161,100
State general fund/general purpose	\$ 0

Medical services.

Sec. 152. MEDICAL SERVICES

Long-term care services.....	\$ 18,800,000
GROSS APPROPRIATION	\$ 18,800,000
Appropriated from:	
Federal revenues:	
Total federal revenues	10,638,900
Special revenue funds:	
Total other state restricted revenues	8,161,100
State general fund/general purpose	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

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 \$4,467,908,400.00

and state spending from state resources to be paid to units of local government for fiscal year 2005-2006 is \$1,136,195,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH	
MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
ADMINISTRATION AND SPECIAL PROJECTS	
Mental health initiatives for older persons	\$ 1,049,200
COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS	
State disability assistance program substance abuse services	\$ 2,509,800
Community substance abuse prevention, education, and treatment programs	18,790,500
Medicaid mental health services	658,703,500
Community mental health non-Medicaid services	332,098,300
Medicaid adult benefits waiver	12,156,000
Multicultural services	4,963,800
Medicaid substance abuse services.....	14,530,300
Respite services	1,000,000
Omnibus budget reconciliation act implementation	2,882,500
HEALTH POLICY, REGULATION AND PROFESSIONS	
Health professions	\$ 275,000
Rural health	35,000
INFECTIOUS DISEASE CONTROL	
AIDS prevention, testing and care programs	\$ 1,400,000
Immunization local agreements	2,200,000
Sexually transmitted disease control local agreements.....	421,800
LABORATORY SERVICES	
Laboratory services	\$ 54,000
LOCAL HEALTH ADMINISTRATION AND GRANTS	
Implementation of 1993 PA 133	\$ 7,700
Local public health operations.....	38,043,400
CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION	
Cancer prevention and control program	\$ 120,700
Diabetes and kidney program	295,800
Smoking prevention program.....	860,300
FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES	
Childhood lead program	\$ 50,000
Dental programs	25,000
Family planning local agreements	360,000
Local MCH services	246,100
Pregnancy prevention program	2,300,000
Prenatal care outreach and service delivery support	636,000
School health and education programs	500,000
CHILDREN'S SPECIAL HEALTH CARE SERVICES	
Outreach and advocacy	\$ 1,283,200

MEDICAL SERVICES

Transportation.....	\$	1,275,300
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OFFICE OF SERVICES TO THE AGING

Community services	\$	14,854,300
Nutrition services.....		11,280,300
Senior volunteer services.....		1,153,400
Respite care program		4,400,000

CRIME VICTIM SERVICES COMMISSION

Crime victim rights services grants.....	\$	<u>5,432,100</u>
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TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	\$	1,136,195,800
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Appropriations subject to MCL 18.1101 to 18.1594; state as custodian or agent.

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

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

Definitions.

Sec. 203. As used in this article:

- (a) "AIDS" means acquired immunodeficiency syndrome.
- (b) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- (c) "Department" means the Michigan department of community health.
- (d) "DSH" means disproportionate share hospital.
- (e) "EPIC" means elder prescription insurance coverage program.
- (f) "EPSDT" means early and periodic screening, diagnosis, and treatment.
- (g) "FTE" means full-time equated.
- (h) "GME" means graduate medical education.
- (i) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.
- (j) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome.
- (k) "HMO" means health maintenance organization.
- (l) "IDEA" means individuals with disabilities education act.
- (m) "IDG" means interdepartmental grant.
- (n) "MCH" means maternal and child health.
- (o) "MICHild" means the program described in section 1670.
- (p) "MSS/ISS" means maternal and infant support services.
- (q) "Specialty prepaid health plan" means a program described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.
- (r) "Title XVIII" means title XVIII of the social security act, 42 USC 1395 to 1395hhh.

- (s) “Title XIX” means title XIX of the social security act, 42 USC 1396 to 1396v.
- (t) “Title XX” means title XX of the social security act, 49 USC 1397 to 1397f.
- (u) “WIC” means women, infants, and children supplemental nutrition program.

Billing by department of civil service.

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

Hiring freeze; exceptions.

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

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

Use of Internet; reporting requirements.

Sec. 208. Unless otherwise specified, the department 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 the Internet or Intranet site.

Purchase of foreign goods or services.

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

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

Revenue from fees and collections; carrying forward; use.

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

Federal maternal and child health block grant, preventive health and health services block grant, substance abuse block grant, healthy Michigan fund, and Michigan health initiative funds; federal, restricted, private, and local sources of revenue; report.

Sec. 212. (1) From the amounts appropriated in part 1, no greater than the following amounts are supported with federal maternal and child health block grant, preventive

health and health services block grant, substance abuse block grant, healthy Michigan fund, and Michigan health initiative funds:

(a) Maternal and child health block grant.....	\$	21,162,400
(b) Preventive health and health services block grant.....		5,617,500
(c) Substance abuse block grant		60,509,900
(d) Healthy Michigan fund		43,512,700
(e) Michigan health initiative.....		10,121,200

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

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

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

Departments, agencies, and commissions receiving tobacco tax funds; report.

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

- (a) Detailed spending plan by appropriation line item including description of programs.
- (b) Description of allocations or bid processes including need or demand indicators used to determine allocations.
- (c) Eligibility criteria for program participation and maximum benefit levels where applicable.
- (d) Outcome measures to be used to evaluate programs.
- (e) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

State-restricted tobacco tax revenue; use.

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

Write-offs and prior year obligations; reimbursements, refunds, adjustments, and settlements.

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

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

(3) The department shall report by March 15, 2006 to the house of representatives and senate appropriations subcommittees on community health on all reimbursements, refunds, adjustments, and settlements from prior years.

Basic health services; included services.

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

Michigan public health institute; contract for design and implementation of projects and activities; master agreement; report.

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

(a) A detailed description of each funded project.

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

(c) The expected project duration.

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

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

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

Michigan public health institute contracts; audits.

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

Publications, videos, conferences, and workshops; fees.

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

Information technology; user fees.

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

Information technology; designation as work projects; carrying forward amounts.

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

Medicaid management information system; approval of advanced planning document.

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

Medicaid waiver, Medicaid state plan amendment, or similar proposal; notice of submission.

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

Receipt and retention of reports.

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

Out-of-state travel.

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

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Employee communicating with legislator or staff.

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

DEPARTMENTWIDE ADMINISTRATION

Return of employees under limited duty; payments in lieu of worker's compensation payments.

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

Mental health services; first-party payment requirement; prohibition.

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

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**Occupancy in community living arrangement; contract for legal services.**

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

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**Local CMHSPs or specialty prepaid health plans; provisions.**

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

- (a) A system of single entry and single exit.
- (b) A complete array of mental health services which shall include, but shall not be limited to, all of the following services: residential and other individualized living arrangements, outpatient services, acute inpatient services, and long-term, 24-hour inpatient care in a structured, secure environment.
- (c) The coordination of inpatient and outpatient hospital services through agreements with state-operated psychiatric hospitals, units, and centers in facilities owned or leased by the state, and privately-owned hospitals, units, and centers licensed by the state pursuant to sections 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to 330.1149b.
- (d) Individualized plans of service that are sufficient to meet the needs of individuals, including those discharged from psychiatric hospitals or centers, and that ensure the full range of recipient needs is addressed through the CMHSP's or specialty prepaid health plan's program or through assistance with locating and obtaining services to meet these needs.
- (e) A system of case management to monitor and ensure the provision of services consistent with the individualized plan of services or supports.
- (f) A system of continuous quality improvement.
- (g) A system to monitor and evaluate the mental health services provided.
- (h) A system that serves at-risk and delinquent youth as required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

Local CMHSPs or specialty prepaid health plans; contracts; provisions; report.

Sec. 402. (1) From funds appropriated in part 1, final authorizations to CMHSPs or specialty prepaid health plans shall be made upon the execution of contracts between the department and CMHSPs or specialty prepaid health plans. The contracts shall contain an

approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP or specialty prepaid health plan that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or specialty prepaid health plans entered into under this subsection for fiscal year 2005-2006 does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

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

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

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

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

Multicultural services.

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

Community mental health services programs; report; information; inclusion of data reporting requirements in annual contract.

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

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

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

(b) Per capita expenditures by client population group.

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

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

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

(i) The number of people receiving requested services.

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

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

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

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

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

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

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

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

(i) Expenditures by each CMHSP or specialty prepaid health plan organized by Medicaid eligibility group, including per eligible individual expenditure averages.

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

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

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

Direct care workers; funding employee wage pass-through.

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

State disability assistance substance abuse services program; use of funds; eligibility of clients; reimbursement to participating substance abuse programs.

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

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

Substance abuse prevention, education, and treatment grants; contracts with coordinating agencies; fee schedule.

Sec. 407. (1) The amount appropriated in part 1 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies. Coordinating agencies shall work with the CMHSPs or specialty prepaid health

plans to coordinate the care and services provided to individuals with both mental illness and substance abuse diagnoses.

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

Substance abuse prevention, education, and treatment programs; report; required data.

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

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

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

(c) Number of services provided by central diagnosis and referral agency, by subcontractor, and by service type. Additionally, data on length of stay, referral source, and participation in other state programs.

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

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

Substance abuse services; priority to child care services.

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

Substance abuse treatment as condition for public assistance.

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

Jail diversion services.

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

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

Salvation Army harbor light program; contract.

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

Medicaid substance abuse treatment services; management by selected CMHSPs or specialty prepaid health plans.

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

Amount of funding paid to CMHSPs and specialty prepaid health plans; report; information required.

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

Delivery of substance abuse prevention, education, and treatment programs; cooperation with other departments.

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

Claims processing and payment procedure.

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

(a) A "clean claim" as described in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i, must be paid within 45 days after receipt of the claim by the community mental health services program or specialty prepaid health plan. A clean claim that is not paid within this time frame shall bear simple interest at a rate of 12% per annum.

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

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

Prisoners receiving substance abuse services and mental health services; report.

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

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

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

(c) The number of prisoners with a primary diagnosis of mental illness and receiving substance abuse services, which shall include a description and breakdown, minimally encompassing the categories of inpatient, residential, and outpatient care, of the type of treatment provided to those prisoners.

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

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

Use of local funds as state match; increase in capitation payment rates.

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

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

Payment of matching funds by counties; installments.

Sec. 435. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1, 2005.

Movement of adults with mental illness from state psychiatric hospitals to community residential settings; pilot projects; reports.

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

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

- (a) A secured and supervised living environment.
- (b) Assistance in taking prescribed medications.
- (c) Intensive case management services.
- (d) Assertive community treatment team services.
- (e) Alcohol or substance abuse treatment and counseling.
- (f) Individual or group therapy.
- (g) Day or partial day programming activities.
- (h) Vocational, educational, or self-help training or activities.
- (i) Other services prescribed to treat a person's mental illness to prevent the need for hospitalization.

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

(4) The department shall provide semiannual reports to the house of representatives and senate appropriations subcommittees on community health, the state budget office, and the house and senate fiscal agencies as to any activities undertaken by the department and CMHSPs for pilot projects implemented under this section.

Medicaid adult benefits waiver program; enrollment.

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

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

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

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

Streamline of audit and reporting requirements; work group.

Sec. 450. The department shall continue a work group comprised of CMHSPs or specialty prepaid health plans and departmental staff to recommend strategies to streamline audit and

reporting requirements for CMHSPs or specialty prepaid health plans. The charge to this work group shall include a requirement to develop a set of standards and criteria that satisfy all of the department's audit requirements that are to be used by any contractor performing services for CMHSPs or specialty prepaid health plans. The department shall by March 31, 2006 provide those proposed standards and criteria to the house of representatives and senate appropriations subcommittees on community health, the house fiscal agency, the senate fiscal agency, and the state budget director.

Community mental health services programs or prepaid inpatient health plans; policy leading to negative financial impact.

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

Consumer choice.

Sec. 456. The prepaid inpatient health plans shall honor consumer choice to the fullest extent possible when providing Medicaid mental health services and support programs for individuals with mental illness, developmental disabilities, or substance abuse issues. Consumer choices shall include skill building assistance and work preparatory services provided in accredited community based rehabilitation organizations, as well as supported and integrated employment services. The prepaid inpatient health plans shall not arbitrarily eliminate any choices from the array of services available to consumers without reasonable justification that those services are not in the consumer's best interest.

Community mental health prepaid inpatient health plans; implementation of quality assurance assessment program.

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

Reports.

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

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

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

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

Reporting of administrative costs; establishment of definitions, standards, and instructions.

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

Funding equity plan.

Sec. 462. The department shall establish a work group comprised of representatives of the department, CMHSPs, legislature, and any other persons considered appropriate to develop a plan to achieve funding equity for all CMHSPs that receive funds appropriated under the community mental health non-Medicaid services line. The funding equity plan shall establish, at a minimum, a payment schedule or scale to ensure that each CMHSP is paid or reimbursed equally based on the recipient's diagnosis or individual plan of service sufficient to meet his or her needs, or both. The department shall submit the written plan to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by May 31, 2006.

Effectiveness of substance abuse programs; establishment of evaluation measures.

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

Prevention, rehabilitation, care, and treatment of alcoholics; funding from liquor license fees.

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

Children with serious emotional disturbances; respite care.

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

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

Third-party payments; priority.

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

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

Gifts and bequests for patient living and treatment environments; use; carrying forward unexpended funds.

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

Forensic mental health services.

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

Semiannual reports.

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

- (a) The number of days of care purchased from state hospitals and centers.
- (b) The number of days of care purchased from private hospitals in lieu of purchasing days of care from state hospitals and centers.
- (c) The number and type of alternative placements to state hospitals and centers other than private hospitals.
- (d) Waiting lists for placements in state hospitals and centers.

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

State hospitals, centers, or agencies; closures or consolidations.

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

programs and services in place for those persons currently in those facilities and a plan for service provision for those persons who would have been admitted to those facilities.

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

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

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

Placement in state hospitals and centers; patient reimbursement.

Sec. 606. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid and local county CMHSP payers, to cover the cost of placement in state hospitals and centers. The department is authorized to adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The revenue carried forward shall be used as a first source of funds in the subsequent year.

PUBLIC HEALTH ADMINISTRATION

Public health consumption advisory for sportfish; availability of information.

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

"Healthy Michigan 2010" goals and objectives.

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

HEALTH POLICY, REGULATION AND PROFESSIONS

Service of rural areas by emergency medical services.

Sec. 704. The department shall continue to work with grantees supported through the appropriation in part 1 for emergency medical services grants and contracts to ensure

that a sufficient number of qualified emergency medical services personnel exist to serve rural areas of the state.

Licensed nursing home inspection; posting summary.

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

New nursing home inspectors; experience in long-term care industry.

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

Practicing nurses; scholarship assistance.

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

Quarterly staff report; availability to public.

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

Loan repayment for dentists.

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

Federally qualified health centers; service capacity.

Sec. 710. From the funds appropriated in part 1 for primary care services, an amount not to exceed \$2,296,000.00 is appropriated to enhance the service capacity of the federally qualified health centers and other health centers which are similar to federally qualified health centers.

Customized listings of nonconfidential information.

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

Free health clinics.

Sec. 712. From the funds appropriated in part 1 for primary care services, \$250,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation,

free health clinics are nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Multicultural agencies.

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

INFECTIOUS DISEASE CONTROL

AIDS programs; priority to adolescents.

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

AIDS provider education activities.

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

AIDS drug assistance program.

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

LOCAL HEALTH ADMINISTRATION AND GRANTS

Implementation of MCL 333.17015; reimbursement to local health departments.

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

County ceasing to participate in certain arrangements with other local health departments; penalty.

Sec. 902. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1, 2005, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 5% of the local health department's local public health operations funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

Lead abatement program; report.

Sec. 903. The department shall provide a report annually to the house of representatives and senate appropriations subcommittees on community health, the senate and house

fiscal agencies, and the state budget director on the expenditures and activities undertaken by the lead abatement program. The report shall include, but is not limited to, a funding allocation schedule, expenditures by category of expenditure and by subcontractor, revenues received, description of program elements, and description of program accomplishments and progress.

Local public health operations; prospective allocation of funds.

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

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

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in fiscal year 2005-2006 of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

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

Hearing screening and vision services.

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

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Alzheimer's information network.

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

Smoking prevention program.

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

(2) For purposes of complying with 2004 PA 164, \$900,000.00 of the funds appropriated in part 1 for the smoking prevention program shall be used for the quit kit program that includes the nicotine patch or nicotine gum.

Violence prevention.

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

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

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

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

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

Kidney disease prevention.

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

Osteoporosis prevention and treatment education.

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

Stroke prevention, education, and outreach.

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

African-American male health initiative.

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

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Women, infants, and children food supplement program, family planning, and prenatal care outreach and service delivery support program.

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

Local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs.

Sec. 1104. Before April 1, 2006, the department shall submit a report to the house and senate fiscal agencies and the state budget director on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs.

Using applicable federal definitions, the report shall include information on all of the following:

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

Contracts with local agencies; factors.

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

Federal family planning funds; compliance.

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

Abstinence education.

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

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

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

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

Prenatal care outreach and service delivery support.

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

Abortion counseling, referrals, or services.

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

Volunteer dental program.

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

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

Family planning funds.

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

Family planning/pregnancy prevention program.

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

Communities with high infant mortality rates; allocation.

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

Children with elevated blood lead levels; report.

Sec. 1129. The department shall provide a report annually to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the number of children with elevated blood lead levels from information available to the department. The report shall provide the information by county, shall include the level of blood lead reported, and shall indicate the sources of the information.

Infant mortality rate data.

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

School health education curriculum; composition of state steering committee.

Sec. 1135. (1) Provision of the school health education curriculum, such as the Michigan model or another comprehensive school health education curriculum, shall be in accordance

with the health education goals established by the Michigan model for the comprehensive school health education state steering committee. The state steering committee shall be comprised of a representative from each of the following offices and departments:

- (a) The department of education.
 - (b) The department of community health.
 - (c) The health administration in the department of community health.
 - (d) The bureau of mental health and substance abuse services in the department of community health.
 - (e) The department of human services.
 - (f) The department of state police.
- (2) Upon written or oral request, a pupil not less than 18 years of age or a parent or legal guardian of a pupil less than 18 years of age, within a reasonable period of time after the request is made, shall be informed of the content of a course in the health education curriculum and may examine textbooks and other classroom materials that are provided to the pupil or materials that are presented to the pupil in the classroom. This subsection does not require a school board to permit pupil or parental examination of test questions and answers, scoring keys, or other examination instruments or data used to administer an academic examination.

Child advocacy centers.

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

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Project FRESH.

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

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Children with special health care needs; reimbursement.

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

Certain services provided by department.

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

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