

HOUSE BILL No. 5518

EXECUTIVE BUDGET BILL

February 18, 1992, Introduced by Reps. Ostling, Allen and Gilmer and referred to the Committee on Appropriations.

A bill to make appropriations for the department of mental health for the fiscal year ending September 30, 1993; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for the department of mental
2 health for the fiscal year ending September 30, 1993, from the funds
3 identified hereunder:

4 DEPARTMENT OF MENTAL HEALTH

5 APPROPRIATIONS SUMMARY:

6 Full-time equated unclassified positions.....6.0
7 Full-time equated classified positions:.....6,272.0

1	Average population.....	2,689.0
2	GROSS APPROPRIATION.....	\$1,339,301,600
3	Interdepartmental grant revenues:	
4	IDG-department of corrections.....	3,525,400
5	ADJUSTED GROSS APPROPRIATION.....	\$1,335,776,200
6	Federal revenues:	
7	Federal revenue, additional acquired.....	4,167,800
8	HHS-HCFA, title XIX.....	252,797,700
9	HHS-OASH.....	5,307,800
10	Federal-special education.....	30,000
11	DED-OESE, educationally deprived children, state	
12	administration-title I.....	588,300
13	HHS-OHDS, Developmental disabilities, basic support and	
14	advocacy grants.....	2,318,200
15	DAG-FNS, National school lunch program.....	476,900
16	Homelessness formula grant program (P.L.101-646,title V)	1,122,300
17	Federal post-adoption funds.....	175,000
18	Federal consumer support project.....	92,500
19	Federal-Omnibus reconciliation act, title XIX.....	31,094,200
20	Federal training funds.....	85,000
21	ADAMHA-department of public health/office of substance	
22	abuse block grant.....	500,000
23	Total federal revenues.....	298,755,700
24	CMH or state agency purchase of services.....	1,000,000
25	Lease/rental revenue.....	1,035,000
26	Recipient fees and third-party reimbursements.....	7,500,000
27	1st/3rd party revenues.....	29,271,000
28	Miscellaneous revenue.....	200,000

1	Tuition/stipend reimbursement.....	33,600
2	Audit exception/cost settlement revenue.....	4,000,000
3	Total other revenues.....	43,039,600
4	Private-gifts and bequests revenues.....	2,000,000
5	Private revenue, additional acquired.....	1,000,000
6	Total private revenues.....	3,000,000
7	Local-special education revenue.....	1,500,000
8	Local county match revenues.....	30,467,000
9	Total local revenues.....	31,967,000
10	State general fund/general purpose.....\$	959,013,900
11	EXECUTIVE PROGRAM	
12	Full-time equated unclassified positions.....	6.0
13	Full-time equated classified positions.....	394.5
14	Citizens' mental health advisory council (per diem cost,	
15	\$50.00 per member).....\$	43,900
16	Director -- FTE positions 1.0.....	83,100
17	Deputy directors and executive assistants --	
18	5.0 FTE positions.....	231,600
19	Departmental administration and management, including	
20	facilities salaries and fringes --	
21	342.0 FTE positions.....	25,324,700
22	Expansion of itemized billing implementation.....	723,600
23	Central fund for acquiring additional federal funds....	4,167,800
24	Central fund for acquiring additional private funds....	1,000,000
25	Transition of prisoner mental health care -- 52.5 FTE	
26	positions.....	3,525,400
27	GROSS APPROPRIATION.....\$	35,100,100
28	Appropriated from:	

1	Interdepartmental grant revenues:	
2	IDG-department of corrections.....	3,525,400
3	Federal revenues:	
4	HHS-HCFA, title XIX.....	1,274,500
5	Federal-special education.....	30,000
6	Federal revenue, additional acquired.....	4,167,800
7	Special revenue funds:	
8	Private revenue, additional acquired.....	1,000,000
9	1st/3rd party revenue.....	223,600
10	Miscellaneous revenue.....	135,000
11	State general fund/general purpose.....\$	24,743,800
12	DEVELOPMENTAL DISABILITIES	
13	Full-time equated classified positions.....12.0	
14	Developmental disabilities program--12.0 FTE positions.\$	2,318,200
15	GROSS APPROPRIATION.....\$	2,318,200
16	Appropriated from:	
17	Federal revenues:	
18	HHS-OHDS, developmental disabilities, basic support and	
19	advocacy grants.....	2,318,200
20	State general fund/general purpose.....\$	0
21	SPECIAL PROJECTS	
22	Full-time equated classified positions.....9.0	
23	Developmental disabilities dental program.....\$	175,000
24	Pilot projects in prevention for mentally ill adults and	
25	children -- 4.0 FTE positions.....	1,394,800
26	Consumer involvement program.....	310,400
27	Foster grandparent and senior companion program for the	
28	developmentally disabled and mentally ill adults.....	1,689,100

1	Permanency planning project--2.0 FTE positions.....	418,200
2	Mentally ill protection and advocacy services.....	356,400
3	Protection and advocacy services for MI and DD.....	461,900
4	Mental health initiatives for older persons.....	670,500
5	Direct care staff training -- 1.0 FTE position.....	247,800
6	Homelessness formula grant program -- 2.0 FTE	
7	positions.....	1,477,900
8	GROSS APPROPRIATION.....\$	7,202,000
9	Appropriated from:	
10	Federal revenues:	
11	Homelessness formula grant program (P.L.101-646,title V)	1,122,300
12	Federal training funds.....	85,000
13	Special revenue funds:	
14	Tuition/stipend reimbursement.....	33,600
15	Federal post-adoption funds.....	175,000
16	Federal consumer support project.....	92,500
17	State general fund/general purpose.....\$	5,693,600
18	COMMUNITY MENTAL HEALTH PROGRAMS	
19	Full-time equated classified positions.....17.0	
20	Community mental health programs.....\$	589,175,800
21	CMH-community residential services for the	
22	developmentally disabled.....	1,342,200
23	CMH-Multicultural projects.....	3,009,500
24	Communities first pilot projects.....	1,000
25	Inpatient care and alternative program (pursuant to	
26	section 116 of Act No. 258 of the Public Acts of 1974,	
27	being section 330.1116 of the Michigan Compiled	
28	Laws).....	394,002,900

1	Section 116-local repayment.....	(394,002,900)
2	Federal block grant.....	5,307,800
3	Omnibus reconciliation act implementation --17.0 FTE	
4	positions.....	58,428,000
5	Community mental health grant fund (pursuant to sections	
6	226a, 244, 300, 309, 310, 311, and 313 of Act No. 258	
7	of the Public Acts of 1974, being sections 330.1226a,	
8	330.1244, 330.1300, 330.1309, 330.1310, 330.1311, and	
9	330.1313 of the Michigan Compiled Laws.....	7,500,000
10	Family support subsidy.....	11,093,800
11	GROSS APPROPRIATION.....	\$ 675,858,100
12	Appropriated from:	
13	Federal revenues:	
14	ADAMHA-department of public health/office of substance	
15	abuse block grant.....	500,000
16	HHS-HCFA, title XIX.....	131,775,200
17	HHS-OASH.....	5,307,800
18	Federal-Omnibus reconciliation act, title XIX.....	31,094,200
19	Special revenue funds:	
20	Audit exception/cost settlement revenue.....	2,500,000
21	Recipient fees and third-party reimbursements.....	7,500,000
22	State general fund/general purpose.....	\$ 497,180,900
23	COMMUNITY INPATIENT/RESIDENTIAL BEDS	
24	Community inpatient/residential beds for mentally ill	
25	children and adults.....	\$ 9,457,500
26	Clinton valley center reduction project.....	3,614,000
27	GROSS APPROPRIATION.....	\$ 13,071,500
28	Appropriated from:	

1	Local county match revenue.....	400,000
2	State general fund/general purpose.....	\$ 12,671,500
3	COMMUNITY RESIDENTIAL SERVICES	
4	Full-time equated classified positions.....	514.0
5	Community residential services for mentally ill	
6	children -- 13.0 FTE positions.....	\$ 8,953,100
7	Community residential services for mentally ill	
8	adults -- 41.0 FTE positions.....	9,393,100
9	Community residential services for the developmentally	
10	disabled -- 434.0 FTE positions.....	217,646,600
11	DD Facility census reduction.....	8,864,700
12	Alternative intermediate services/mentally retarded.....	232,500
13	Macomb-Oakland Site Cost -- 26.0 FTE positions.....	1,735,600
14	DSS SSI advocacy for mental health.....	372,600
15	Department of public health, ICF/MR certification reviews	433,300
16	GROSS APPROPRIATION.....	\$ 247,631,500
17	Appropriated from:	
18	Federal revenues:	
19	HHS-HCFA, title XIX.....	80,435,800
20	Special revenue funds:	
21	Audit exception/cost settlement revenue.....	1,500,000
22	1st/3rd party revenues.....	4,878,200
23	Local county match revenues.....	9,251,900
24	State general fund/general purpose.....	\$ 151,565,600
25	STATE FACILITY REDUCTION FOR MENTALLY ILL ADULTS AND CHILDREN	
26	Full-time equated positions.....	(171.0)
27	State facility reduction for mentally ill adults and	
28	children--(171.0 FTE positions).....	\$(9,457,500)

1	Special Education-Young adults.....	(4,832,800)
2	GROSS APPROPRIATION.....	\$ (14,290,300)
3	Appropriated from:	
4	State general fund/general purpose.....	\$ (14,290,300)
5	CENTERS FOR MENTALLY ILL ADULTS	
6	Average population.....	2,171.0
7	Full-time equated classified positions.....	3,903.0
8	Caro regional mental health center-psychiatric services	
9	unit -- 240.0 FTE positions.....	\$ 13,121,200
10	Average population.....	116.0
11	Clinton valley health center -- 672.0 FTE positions.....	41,345,100
12	Average population.....	400.0
13	Detroit psychiatric institute -- 252.0 FTE positions.....	17,415,900
14	Average population.....	130.0
15	Kalamazoo regional psychiatric hospital -- 547.0 FTE	
16	positions.....	33,908,400
17	Average population.....	300.0
18	Northville regional psychiatric hospital -- 1,165.0 FTE	
19	positions.....	70,366,600
20	Average population.....	688.0
21	Reuther facility-wayne county -- 459.0 FTE positions.....	28,302,100
22	Average population.....	295.0
23	Center for forensic psychiatry -- 477.0 FTE positions....	28,399,800
24	Average population.....	210.0
25	Lafayette clinic -- 91.0 FTE positions.....	9,264,900
26	Average population.....	32.0
27	GROSS APPROPRIATION.....	\$ 242,124,000
28	Appropriated from:	

1	Federal revenues:	
2	National school lunch program.....	193,900
3	HHS-HCFA, title XIX.....	5,233,200
4	Special revenue funds:	
5	Miscellaneous revenues.....	30,000
6	1st/3rd party revenues.....	19,866,900
7	Local county match revenues.....	13,918,500
8	State general fund/general purpose.....	\$ 202,881,500
9	CENTERS FOR MENTALLY ILL CHILDREN	
10	Average population.....	260.0
11	Full-time equated classified positions.....	621.0
12	Detroit psychiatric institute-childrens program -- 19.0 FTE	
13	positions.....	\$ 1,404,700
14	Average population.....	12.0
15	Fairlawn center at clinton valley center -- 309.0 FTE	
16	positions.....	17,713,700
17	Average population.....	125.0
18	Hawthorne center -- 266.0 FTE positions.....	15,832,300
19	Average population.....	108.0
20	Pheasant ridge children's center at kalamazoo -- 27.0 FTE	
21	positions.....	2,303,700
22	Average population.....	15.0
23	GROSS APPROPRIATION.....	\$ 37,254,400
24	Appropriated from:	
25	Federal revenues:	
26	HHS-HCFA, title XIX.....	9,552,400
27	Special revenue funds:	
28	1st/3rd party revenues.....	2,485,900

1	Miscellaneous revenue.....	14,000
2	Local county match revenues.....	1,074,200
3	Federal revenues:	
4	DAG-FNS, National school lunch program.....	221,800
5	State general fund/general purpose.....\$	23,906,100
6	CENTERS FOR DEVELOPMENTALLY DISABLED	
7	Average population.....	258.0
8	Full-time equated classified positions.....	902.0
9	Caro regional mental health center-developmental services	
10	unit -- 225.0 FTE positions.....\$	9,779,500
11	Average population.....	48.0
12	Mount pleasant center for developmental disabilities --	
13	358.0 FTE positions.....	18,326,200
14	Average population.....	120.0
15	Southgate regional center for developmental disabilities --	
16	319.0 FTE positions.....	14,763,200
17	Average population.....	90.0
18	GROSS APPROPRIATION.....\$	42,868,900
19	Appropriated from:	
20	Federal revenues:	
21	National school lunch program.....	61,200
22	HHS-HCFA, title XIX.....	24,526,600
23	Special revenue funds:	
24	1st/3rd party revenues.....	1,816,400
25	Local county match revenues.....	5,822,400
26	Miscellaneous revenue.....	21,000
27	State general fund/general purpose.....\$	10,621,300
28	INSTITUTIONAL SERVICES	

1	Full-time equated classified positions.....	70.5	
2	Worker's compensation and staff -- 3.0 FTE positions.....	\$	12,627,500
3	Psychiatric residency program.....		4,295,100
4	Early retirement year 2.....		1,054,000
5	DED-OESE, ECIA-title I -- 8.5 FTE positions.....		588,300
6	Purchase of medical services for state mental health		
7	facility residents.....		3,767,000
8	Improvement of lease/rental property at state mental		
9	health institutions.....		95,000
10	Equipment.....		2,028,000
11	Special maintenance.....		359,200
12	Gifts and bequests.....		2,000,000
13	Jobs retraining fund.....		195,000
14	Severance pay.....		9,194,200
15	Special education program--20.0 FTE positions.....		825,000
16	Special education-young adults--2,682 students.....		4,832,600
17	Plant closure and maintenance--39.0 FTE positions.....		7,302,300
18	CMH or state agency purchase of services.....		1,000,000
19	GROSS APPROPRIATION.....	\$	50,163,200
20	Appropriated from:		
21	Federal revenues:		
22	DED-OESE, educationally deprived children, state		
23	administration-title I.....		588,300
24	Special revenue funds:		
25	Local-special education revenue.....		1,500,000
26	Lease/rental revenue.....		1,035,000
27	CMH or state agency purchase of services.....		1,000,000
28	Private-gifts and bequests revenues.....		2,000,000

1 State general fund/general purpose.....\$ 44,039,900

2 GENERAL SECTIONS

3 Sec. 201. (1) In accordance with the provisions of section 30 of
4 article IX of the state constitution of 1963, total state spending in
5 this bill is \$1,002,053,500.00 and state spending to units of local
6 government is as follows:

7 For Fiscal Year Ending
8 September 30, 1993

9 DEPARTMENT OF MENTAL HEALTH

10 Community mental health programs.....	\$	453,074,000
11 Community mental health grant fund.....		7,500,000
12 Family support subsidies.....		11,093,800
13 Communities first pilot projects.....		1,000
14 Inpatient/residential care alternatives.....		9,457,500
15 Clinton valley census reduction.....		3,614,000
16 Developmental disability facility reduction.....		8,864,700
17 Foster grandparents and senior companions.....		1,689,100
18 Prevention projects.....		1,382,200
19 Homelessness formula grant program.....		350,000
20 CMH multicultural program.....		3,009,500
21 Consumer involvement program.....		310,400
22 Omnibus reconciliation act implementation.....		27,333,800
23 Community residential services.....		44,433,300
24 Total.....	\$	572,113,300

25 (2) When it appears to the director of the department that state
26 spending to local units of government will be less than the amount that
27 was projected to be expended for any quarter, the director shall
28 immediately give notice of the approximate shortfall to the department

1 of management and budget, the senate and house appropriations committees,
2 and the senate and house fiscal agencies.

3 Sec. 202. The appropriations made and the expenditures authorized
4 under this act and the departments, agencies, commissions, boards,
5 offices, and programs for which an appropriation is made under this act
6 are subject to the management and budget act, Act No. 431 of the Public
7 Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled
8 Laws.

9 Sec. 203. The amounts appropriated for utilities and that portion
10 of contractual services, supplies, and materials used to pay for utility
11 service to state facilities in section 101 may be expended in a manner
12 consistent with the provisions of section 253 of the management and
13 budget act, Act No. 431 of the Public Acts of 1984, being section 18.1253
14 of the Michigan Compiled Laws.

15 Sec. 204. As used in this act:

16 (a) "ADAMHA" means the United States department of health and
17 human services, alcohol, drug abuse, and mental health administration.

18 (b) "ADP" means automated data processing.

19 (c) "CMH" means community mental health.

20 (d) "DAG-FNS" means the United States department of agriculture,
21 food and nutrition services.

22 (e) "DED-OESE" means the United States department of education,
23 office of elementary and secondary education.

24 (f) "DED-OESE (ECIA)" means the education consolidation and
25 improvement act.

26 (g) "Department" means the department of mental health.

27 (h) "FTE" means full-time equated.

28 (i) "HHS" means the United States department of health and human
29 services.

30 (j) "HHS-HCFA" means the health care financing administration.

1 (k) "HHS-OASH" means the office of the assistant secretary for
2 health.

3 (l) "HHS-OHDS" means the office of human development services.

4 (m) "ICF/MR" means intermediate care facility for the mentally
5 retarded.

6 (n) "IDG" means interdepartmental grant.

7 (o) "IDT" means intradepartmental transfer.

8 (p) "SSI" means supplemental security income.

9 (q) "Title XIX" means title XIX of the social security act,
10 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f to 1396g, and
11 1396i to 1396s.

12 (r) "Title XX" means title XX of the social security act, chapter
13 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397e.

14 Sec. 205. (1) Beginning October 1, 1992, there shall be a
15 hiring freeze imposed on the state classified civil service. State
16 departments and agencies shall be prohibited from hiring any new full-
17 time state classified civil service employees or prohibited from filling
18 any vacant state classified civil service positions. This hiring freeze
19 does not apply to internal transfers of classified employees from one
20 position to another within a department.

21 (2) The director of the department of management and budget shall
22 grant exceptions to this hiring freeze when the director believes that
23 such a hiring freeze will result in rendering a state department or
24 agency unable to deliver basic services, cause loss of revenue to the
25 state, result in the inability of the state to receive and expend federal
26 funds, or necessitate additional expenditures that exceed any savings
27 from maintaining a vacancy.

28 EXECUTIVE OFFICE

29 Sec. 301. Funds appropriated in section 101 from the central fund
30 for acquiring additional federal grant funds and from the central fund

1 for acquiring private funds shall not be expended until the grant money
2 is actually authorized by the grantor. Funds accepted under this section
3 shall not be authorized if the receipt of the funds mandates a commitment
4 for state funding at a future date.

5 Sec. 302. The department shall continue a revenue recapture
6 project to generate additional revenues from third parties related to
7 cases which have been closed or are inactive. Revenues collected through
8 project efforts are appropriated to the department for departmental costs
9 and contractual fees associated with these retroactive collections and
10 to improve ongoing departmental reimbursement management functions so
11 that the need for retroactive collections will be reduced or eliminated.

12 Sec. 303. The department's ability to satisfy appropriation
13 deductions in section 101 shall not be limited to collections and
14 accruals pertaining to services provided in fiscal year 1992-93, but
15 shall also include reimbursements, refunds, adjustments, and settlements
16 from the prior 2 years.

17 Sec. 304. (1) With the approval of the senate and house
18 appropriations subcommittees on mental health, the director of the
19 department may establish a discretionary fund not to exceed 5% of the sum
20 of the amounts of funds appropriated in section 101 for the operation and
21 support of executive programs, community mental health, institutional
22 operations, residential services, revenue and expenditure reduction
23 adjustments, and community mental health medicaid revenues.

24 (2) The director of the department may allocate expenditure
25 authorization amounts from the discretionary fund to departmental
26 institutions, community mental health boards, or for family support
27 subsidy payments. These funds may be used to achieve or maintain
28 certification for federal title XIX benefits, to equalize and maximize
29 staffing needs assessment project ratios, to expedite the transition of

1 responsibility for services to community mental health boards, and to
2 minimize the utilization of state inpatient services.

3 (3) The director of the department may also allocate revenue
4 amounts from the discretionary fund for the revenue and expenditure
5 adjustment section including HHS-HFCA, Title XIX, DAG-FNS, national
6 school lunch program, first/third party revenues, miscellaneous revenues,
7 and local county match revenues into another revenue account listed in
8 this section, and into community mental health medicaid revenue accounts.

9 Sec. 305. Funds appropriated in section 101 for the mental health
10 advisory council may be used for member per diems of \$50.00 and other
11 council expenditures with approval of the council and the director of the
12 department of mental health. Funds may also be used for the expenses of
13 the state mental health advisory council on deafness and other expenses
14 for councils established by the mental health code.

15 Sec. 306. Unexpended and unencumbered amounts remaining on
16 September 30, 1993 for federal block grants and federal funds and gifts
17 and bequests shall carry forward for 1 fiscal year after which they will
18 lapse.

19 Sec. 307. Revenues appropriated in section 101 as audit
20 exception/cost settlement revenues are revenues recovered by all methods
21 from department contract audit settlements and contract cost settlements
22 of prior fiscal years.

23 Sec. 308. The specific amounts indicated in section 101 of this
24 act as restricted revenue for financing appropriations from first and
25 third parties, HCFA Title XIX, and county revenues are estimates of the
26 proportion of the total amounts expected to be collected, and the
27 department may satisfy any individual restricted revenue deduct amount
28 from the total revenues of all of those revenue sources.

29 Sec. 309. The funds appropriated in section 101 for transition of
30 prisoner mental health care is to assist in preparation for assumption

1 of responsibilities for prisoner mental health in accordance with plans
2 submitted to the U.S. District Court-Western District. The department
3 is authorized to receive and expend funds from the department of
4 corrections in addition to the appropriation in section 101 as necessary
5 to provide for the orderly transition and assumption of the
6 responsibilities for prisoner mental health.

7 COMMUNITY MENTAL HEALTH

8 Sec. 401. (1) Funds allocated in section 101 for community mental
9 health include the continuation of transportation services, funded 100%
10 with state funds and include Title XX transitional grants.

11 (2) In addition to the funds appropriated in section 101 for
12 community mental health services, there is appropriated all funds
13 received by the CMH boards in additional federal clinic services program
14 funding sources. It is intended that the community mental health boards
15 maximize federal funding sources. CMH boards shall retain, contingent
16 upon actual earnings, the amount of increased federal funds above the
17 amounts authorized in the billable services fiscal year ending September
18 30, 1992 contracts. State funding provided in each CMH board's contract
19 shall not be altered as a result of implementation of this section.

20 Sec. 402. (1) The funds appropriated in section 101 for contract
21 community mental health boards are for the purchase of state facility
22 inpatient services or for approved community-based programs which reduce
23 utilization of state provided inpatient services below this appropriated
24 level. These funds shall be allocated to contract community mental
25 health boards based on estimates approved by the department as part of
26 the negotiated contract.

27 (2) Funds which are allocated to these contract community mental
28 health boards, when used to purchase state facility inpatient services,
29 shall be provided to state facilities based on the per diem and billing
30 arrangements approved by the department in the negotiated contract.

1 (3) The department shall have administrative authority to transfer
2 funds that are allocated for state inpatient care, but not expended due
3 to the utilization of state inpatient services below planned levels.
4 Transferred funds shall be placed in a shared management fund account.
5 The department may distribute money in the shared management fund account
6 to eligible community mental health boards with shared management
7 contracts with the department for departmentally approved community-based
8 programs if the actual utilization of state inpatient services is lower
9 than the planned utilization as defined by contract provisions. The
10 shared management fund account balance shall carry forward at the end of
11 the fiscal year.

12 Sec. 403. The funds appropriated in this act for community mental
13 health programs shall not be used to replace funds no longer available
14 because the local government or community mental health board reduced its
15 base of support for state and local mental health services, as defined
16 in chapter 2 of the mental health code, Act No. 258 of the Public Acts
17 of 1974, being sections 330.1200 to 330.1246 of the Michigan Compiled
18 Laws, below that of the previous year.

19 Sec. 404. (1) The funds appropriated in section 101 for inpatient
20 care and alternative programs shall be allocated to community mental
21 health boards under a formal contract with the department. The spending
22 plans, authorizations, and allocations for each community mental health
23 board shall be determined by the department central office staff, in
24 cooperation with community mental health boards.

25 (2) If a community mental health board has not indicated the
26 willingness or capacity to accept the shift of responsibility as provided
27 in subsection (1), the community mental health board may enter into a
28 contract with the department which provides that clients of the community
29 mental health board in a state facility shall continue to be served by

1 the department, which shall retain full allocation authority on behalf
2 of the community mental health board for state facility services.

3 (3) Within the provisions of this section, the department may enter
4 into a formal contract with a community mental health board for shared
5 management of the provision of state facility services to a client who
6 is a resident of the county served by the community mental health board.

7 Sec. 405. (1) Funds appropriated in section 101 for community
8 mental health services may be reserved and carried forward into the
9 subsequent fiscal year by county community mental health boards as part
10 of the boards's financial management plan.

11 (2) Funding carried forward shall be limited to the differences
12 between the projected cost of community mental health services in the
13 subsequent fiscal year and the level of funding available, not to exceed
14 5% of the total authorization. A statement of intent to carry forward
15 funds shall be submitted and approved by the department by the end of the
16 third quarter. This statement shall identify the proposed uses of funds
17 to be carried forward.

18 (3) Conditions under which funding may be reserved include all of
19 the following:

20 (a) Provisions of the contract between the department and county
21 community mental health boards regarding protection of categorical
22 funding shall not be altered.

23 (b) Funds may be carried forward only when the performance
24 commitments in the contract for the year from which funding will be
25 reserved are met.

26 (c) An expenditure made from a reserve account does not change a
27 board's base allocation or create a full year cost obligation for the
28 department.

29 (d) Funding carried forward and not used shall lapse to the state
30 general fund.

1 Sec. 406. The amount appropriated in section 101 for community
2 mental health services is intended for funding of community mental health
3 service boards in accordance with contracts between the department and
4 the boards for the current fiscal year. The department shall establish
5 such total payable and receivable amounts as may be appropriate to
6 represent the expected final state obligation for all such contracts.
7 After final review of the expenditure reports required by the contracts,
8 any amounts advanced to the board which are returned to the department
9 and any amounts paid to the boards in accordance with the provisions of
10 the contracts shall be considered to be adjustments to the program
11 expenditures for prior fiscal years. These prior year transactions shall
12 be recorded in a separate account established for that purpose.
13 Community mental health programs prior year revenue recognized in the
14 current fiscal year may be restricted to finance related prior year
15 expenditures not previously recorded.

16 Sec. 407. The department is authorized to transfer funds from
17 other accounts in section 101 into the communities first pilot projects
18 line item in order to support such projects. Such transfers shall be
19 subject to the provisions of Act. No. 431 of Public Acts of 1984.

20 COMMUNITY RESIDENTIAL SERVICES

21 Sec. 501. The funds appropriated in section 101 for community
22 residential services programs may be used for basic care in cases where
23 individuals are not eligible to receive social security benefits and are
24 not otherwise capable of supporting themselves out of their own
25 resources. Funds may be used for purposes of aftercare or to prevent
26 admissions to state facilities through residential and support services.
27 Expenditures and allocations may be authorized for community mental
28 health board or state facilities, or both.

29 INSTITUTIONAL SERVICES AND FACILITIES

1 Sec. 601. The department may charge rent to state or other tenants
2 occupying space in any of its facilities. The rental rates and all
3 leasing arrangements shall be subject to the approval of the department
4 of management and budget and the state administrative board. Revenues
5 received under this section shall be available for expenditure by the
6 department for maintenance, renovation, administrative expense associated
7 with the leased space and for other departmental expenditures.
8 Unexpended and unencumbered amounts remaining on September 30, 1993 from
9 the amounts appropriated in section 101 for the lease/rental program
10 shall carry forward for 1 fiscal year after which time they shall lapse.

11 Sec. 602. The operation and maintenance of the power plant at the
12 Kalamazoo state hospital shall be financed from charges to the
13 appropriations to the Kalamazoo state hospital and western Michigan
14 university, which charges shall be based upon the cost of the power plant
15 and upon the usage of heat and electrical power by the hospital and the
16 university.

17 Sec. 603. In addition to the amounts appropriated in section 101,
18 revenues from the sale of sheltered workshop services and products are
19 appropriated to be expended for supplies, equipment, and other costs
20 associated with the maintenance of the sheltered workshop program,
21 excluding costs of compensating state classified employees. The unspent
22 balance on the last day of the fiscal year ending September 30, 1993
23 shall be carried forward into the subsequent fiscal year.