

Act No. 122
Public Acts of 1999
Approved by the Governor
July 21, 1999
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STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999

Introduced by Senators Steil, McManus and Gougeon

ENROLLED SENATE BILL No. 361

AN ACT to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2000; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of consumer and industry services, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2000, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	64.5	
Full-time equated classified positions	4,148.4	
GROSS APPROPRIATION		\$ 495,233,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		4,020,900
ADJUSTED GROSS APPROPRIATION		\$ 491,212,600
Federal revenues:		
Total federal revenues		219,090,000
Special revenue funds:		
Total local revenues		0
Total private revenues		791,900
Total other state restricted revenues		193,473,200
State general fund/general purpose		\$ 77,857,500

Sec. 102. EXECUTIVE DIRECTION

Full-time equated unclassified positions	64.5	
Full-time equated classified positions	84.0	
Unclassified salaries		\$ 5,021,300
Executive director programs—11.0 FTE positions		1,778,900
Policy development—9.0 FTE positions		1,362,200
Utility consumer representation		850,000
Regulatory efficiency improvements/backlog reduction initiative		750,000
MES board of review program—21.0 FTE positions		1,634,000
Office of legal affairs—43.0 FTE positions		3,969,600
GROSS APPROPRIATION		\$ 15,366,000
Appropriated from:		
Federal revenues:		
DOL-ETA, unemployment insurance		2,039,900
DOL, multiple grants for safety and health		148,100
Special revenue funds:		
Bank fees		174,200
Boiler fees		22,500
Construction code fund		272,800
Consumer finance fees		40,300
Corporation and securities fees		181,000
Credit union fees		83,500
Elevator fees		26,000
Fees and collections/asbestos		10,700
Health professions regulatory fund		1,818,500
Health systems fees and collections		47,600
Insurance regulatory fees		539,600
Licensing and regulation fees		267,200
Liquor purchase revolving fund		1,195,800
Manufactured housing commission fees		145,600
Michigan state housing development authority fees and charges		295,800
Motor carrier fees		25,500
Property development fees		4,300
Public utility assessments		1,505,200
Safety education and training fund		200,300
Second injury fund		68,300
Self-insurers security fund		18,000
Silicosis and dust disease fund		26,200
Utility consumer representation fund		850,000
Worker's compensation administrative revolving fund		53,200
State general fund/general purpose		\$ 5,305,900

Sec. 103. COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Full-time equated classified positions	9.0	
Administration—9.0 FTE positions		\$ 855,400
Arts and cultural grants		21,548,700
GROSS APPROPRIATION		\$ 22,404,100
Appropriated from:		
Federal revenues:		
NFAH-NEA, promotion of the arts, state and regional programs		700,000
State restricted revenues:		
State general fund/general purpose		\$ 21,704,100

Sec. 104. FIRE SAFETY

Full-time equated classified positions	54.0	
Office of fire safety—54.0 FTE positions		\$ 4,368,200
GROSS APPROPRIATION		\$ 4,368,200

Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	\$ 109,200
Federal revenues:	
Federal funds	1,298,300
Special revenue funds:	
Fire alarm regulation fees	164,300
Fire services fees.....	1,618,700
State general fund/general purpose	\$ 1,177,700

Sec. 105. MANAGEMENT SERVICES

Full-time equated classified positions.....	178.0	
Administrative services—74.0 FTE positions.....	\$ 5,144,600	
Technology support—104.0 FTE positions	12,540,000	
Health services information systems.....	750,000	
Insurance automation	750,000	
Rent.....	6,306,400	
Building occupancy charges - property development services	4,767,900	
Worker's compensation.....	1,009,900	
Special project advances	740,000	
GROSS APPROPRIATION.....	\$ 32,008,800	

Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance	342,400
DOL, multiple grants for safety and health	671,600
Federal funds	751,200
HHS, federal funds.....	76,100
Special revenue funds:	
Private - special project advances.....	740,000
Bank fees.....	299,200
Boiler fee revenue	220,700
Construction code fund.....	1,247,100
Consumer finance fees	136,500
Corporations and securities fees.....	2,026,700
Credit union fees.....	214,800
Elevator fees	321,400
Fees and collections/asbestos	52,100
Health professions regulatory fund.....	3,559,200
Health systems fees and collections	256,500
Insurance regulatory fees	2,164,900
Licensing and regulation fees.....	1,905,300
Liquor license fees.....	160,900
Liquor purchase revolving fund.....	4,948,400
Manufactured housing commission fees.....	117,900
Michigan state housing development authority fees and charges	1,780,600
Motor carrier fees.....	187,600
Property development fees.....	6,100
Public utility assessments	2,409,700
Safety education and training fund	385,700
Second injury fund	77,400
Self insurers' security fund.....	20,300
Silicosis and dust disease fund	29,900
Worker's compensation administrative revolving fund.....	1,179,100
State general fund/general purpose	\$ 5,719,500

Sec. 106. FINANCIAL SERVICES AND CORPORATIONS

Full-time equated classified positions.....	375.0	
Manufactured housing commission, per diem \$50.00	\$ 7,800	

		For Fiscal Year Ending Sept. 30, 2000
Manufactured housing and land resources program—15.0 FTE positions	\$	1,456,900
Corporate services—61.0 FTE positions.....		4,923,800
Investment oversight—29.0 FTE positions.....		2,523,800
Local manufactured housing communities inspections		250,000
Property development group—13.0 FTE positions		1,382,100
Remonumentation grants.....		4,500,000
Financial institutions administration—18.0 FTE positions		1,291,100
Bank regulation—50.0 FTE positions.....		5,166,000
Credit union regulation—41.0 FTE positions		3,430,600
Financial institutions consumer protection—19.0 FTE positions.....		1,721,200
Financial institutions policy and legislation—5.0 FTE positions.....		371,300
Federal regulatory projects.....		50,600
Insurance bureau administration—18.0 FTE positions.....		2,155,600
Insurance financial standards—49.0 FTE positions.....		7,416,100
Insurance licensing and enforcement—30.0 FTE positions.....		2,533,100
Insurance market standards and consumer services—27.0 FTE positions		2,478,300
GROSS APPROPRIATION.....	\$	41,658,300
Appropriated from:		
Federal revenues:		
Federal regulatory project revenues.....		50,600
Special revenue funds:		
Private - travel funds.....		5,900
Bank fees.....		5,988,900
Certification and copying fees		2,127,500
Consumer finance fees		1,972,300
Corporation and securities fees.....		5,731,000
Credit union fees.....		4,019,000
Insurance continuing education fees		532,400
Insurance licensing and regulation fees		3,127,600
Insurance regulatory fees		10,785,300
Land sales fees		20,000
Limited liability partnership revenue.....		10,000
Manufactured housing commission fees.....		1,845,800
Multiple employer welfare arrangement.....		131,900
Property development fees.....		231,000
Remonumentation fees		5,079,100
State general fund/general purpose	\$	0

Sec. 107. PUBLIC SERVICE COMMISSION

Full-time equated classified positions	151.0	
Administration, planning and regulation—151.0 FTE positions.....	\$	17,415,500
GROSS APPROPRIATION.....	\$	17,415,500
Appropriated from:		
Federal revenues:		
DOE-OEERE, multiple grants.....		2,227,900
DOT-RSPA, gas pipeline safety.....		265,000
Special revenue funds:		
Private - Great Lakes governors council		46,000
Motor carrier fees.....		1,787,700
Public utility assessments		13,088,900
State general fund/general purpose	\$	0

Sec. 108. LIQUOR CONTROL COMMISSION

Full-time equated classified positions	183.0	
Management support services—43.0 FTE positions.....	\$	2,929,900
Liquor licensing and enforcement—140.0 FTE positions		10,309,800

		For Fiscal Year Ending Sept. 30, 2000
Liquor law enforcement grants.....	\$	6,000,000
Grant to department of agriculture, wine industry council.....		424,100
GROSS APPROPRIATION	\$	19,663,800
Appropriated from:		
Special revenue funds:		
Liquor license revenue		10,773,300
Liquor purchase revolving fund.....		8,466,400
Nonretail liquor license revenue.....		424,100
State general fund/general purpose	\$	0
Sec. 109. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY		
Full-time equated classified positions	233.0	
Payments on behalf of tenants	\$	66,000,000
Housing and rental assistance program—227.0 FTE positions		21,070,500
Automatic data processing—6.0 FTE positions.....		862,500
Homeless program.....		5,290,800
GROSS APPROPRIATION	\$	93,223,800
Appropriated from:		
Federal revenues:		
HUD, lower income housing assistance program		79,049,500
Special revenue funds:		
Michigan state housing development authority fees and charges		14,174,300
State general fund/general purpose	\$	0
Sec. 110. TAX TRIBUNAL		
Full-time equated classified positions	14.0	
Operations—14.0 FTE positions	\$	1,576,500
GROSS APPROPRIATION	\$	1,576,500
Appropriated from:		
Special revenue funds:		
Tax tribunal fees.....		605,500
State general fund/general purpose	\$	971,000
Sec. 111. GRANTS		
Fire protection grants	\$	6,675,000
GROSS APPROPRIATION	\$	6,675,000
Appropriated from:		
Special revenue funds:		
Liquor purchase revolving fund.....		6,675,000
State general fund/general purpose	\$	0
Sec. 112. HEALTH REGULATORY SYSTEMS		
Full-time equated classified positions	357.0	
Health systems administration—211.0 FTE positions	\$	18,593,600
Nursing home quality incentive grants		10,000,000
Emergency medical services program state staff—10.0 FTE positions		1,084,200
Radiological health administration and projects—24.0 FTE positions.....		1,876,800
Substance abuse program administration—4.0 FTE positions		387,000
Emergency medical services grants and contracts		1,062,100
Health services—108.0 FTE positions.....		11,875,400
GROSS APPROPRIATION	\$	44,879,100
Appropriated from:		
Federal revenues:		
Federal funds		17,725,100
Special revenue funds:		
Controlled substance license fees		1,304,400
Health professions regulatory fund.....		10,121,000
Health systems fees and collections.....		3,722,300
Nurse professional fund.....		450,000
State general fund/general purpose	\$	11,556,300

Sec. 113. REGULATORY SERVICES

Full-time equated classified positions	275.0	
AFC, children's welfare and day care licensure—275.0 FTE positions		\$ 20,762,800
GROSS APPROPRIATION		\$ 20,762,800
Appropriated from:		
Federal revenues:		
HHS, federal funds		8,618,500
Special revenue funds:		
Licensing fees		460,800
State general fund/general purpose		\$ 11,683,500

Sec. 114. OCCUPATIONAL REGULATION

Full-time equated classified positions	240.0	
Commissions and boards		\$ 41,900
Code enforcement—99.0 FTE positions		7,427,600
Code enforcement flexibility		632,100
Boiler inspection program—18.0 FTE positions		1,449,400
Elevator inspection program—23.0 FTE positions		1,740,800
Commercial services—100.0 FTE positions		8,194,100
GROSS APPROPRIATION		\$ 19,485,900
Appropriated from:		
Special revenue funds:		
Boiler fee revenue		1,588,100
Construction code fund		7,861,100
Elevator fees		1,842,600
Health professions regulatory fund		221,600
Homeowner construction lien recovery fund		1,528,900
Licensing and regulation fees		6,181,100
Real estate appraiser continuing education fund		45,000
Real estate education fund		217,500
State general fund/general purpose		\$ 0

Sec. 115. EMPLOYMENT RELATIONS

Full-time equated classified positions	28.0	
Fact finding and arbitration		\$ 169,300
Employment and labor relations—28.0 FTE positions		2,792,300
GROSS APPROPRIATION		\$ 2,961,600
Appropriated from:		
Special revenue funds:		
Publication revenue		25,000
State general fund/general purpose		\$ 2,936,600

Sec. 116. SAFETY AND REGULATION

Full-time equated classified positions	276.0	
Commissions and boards		\$ 27,700
Employment standards enforcement—38.0 FTE positions		2,434,400
Subgrantees		1,026,900
Occupational safety and health—238.0 FTE positions		21,235,700
GROSS APPROPRIATION		\$ 24,724,700
Appropriated from:		
Federal revenues:		
DOL, multiple grants for safety and health		12,202,300
Special revenue funds:		
Fees and collections/asbestos		694,200
Safety education and training fund		5,074,800
State general fund/general purpose		\$ 6,753,400

Sec. 117. WORKER'S DISABILITY COMPENSATION

Full-time equated classified positions.....	172.4	
Administration—119.0 FTE positions	\$	8,020,100
Board of magistrates administration—8.0 FTE positions		1,737,400
Appellate commission administration—11.4 FTE positions		803,400
Supplemental benefit fund		1,500,000
Insurance funds administration—34.0 FTE positions.....		10,146,300
Automatic data processing.....		506,000
Grant to the department of career development - hire the handicapped program.....		50,000
GROSS APPROPRIATION	\$	22,763,200
Appropriated from:		
Special revenue funds:		
Second injury fund		6,456,300
Self insurers' security fund		1,720,100
Silicosis and dust disease fund		2,525,900
Worker's compensation administrative revolving fund		2,011,400
State general fund/general purpose	\$	10,049,500

Sec. 118. UNEMPLOYMENT AGENCY

Full-time equated classified positions.....	1,519.0	
Worker's compensation.....	\$	622,700
Rent.....		4,232,000
Building occupancy charges - property development service		2,071,300
Unemployment programs—1,441.7 FTE positions.....		91,345,500
Advocacy assistance program—8.0 FTE positions		1,516,500
Special audit and collections program—34.0 FTE positions.....		2,085,600
Training program for agency staff—2.1 FTE positions		1,044,100
Expanded fraud control program—33.2 FTE positions		2,378,500
GROSS APPROPRIATION	\$	105,296,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from family independence agency.....		3,911,700
Federal revenues:		
DOL, employment and training administration		500,000
DOL, unemployment insurance.....		88,423,500
Federal Reed act funds		4,000,000
Special revenue funds:		
Contingent fund, penalty and interest account		8,461,000
State general fund/general purpose	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1999-2000 is estimated at \$271,330,700.00 in this act and state spending from state sources paid to local units of government for fiscal year 1999-2000 is estimated at \$33,773,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

Arts and cultural grants.....	\$	20,848,700
Fire protection grants		6,675,000
Liquor law enforcement		6,000,000
Local manufactured housing inspections.....		250,000
Total consumer and industry services	\$	33,773,700

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state budget director, the house and senate appropriations committees, and the fiscal agencies.

Sec. 202. As used in this appropriation act:

- (a) "AFC" means adult foster care.
- (b) "Department" means the department of consumer and industry services.
- (c) "DOE" means the United States department of energy.
- (d) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (e) "DOL" means the United States department of labor.
- (f) "DOL-OSHA" means the DOL occupational safety and health administration.
- (g) "DOT" means the United States department of transportation.
- (h) "DOT-RSPA" means the DOT research and special programs administration.
- (i) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (j) "FTE" means full-time equated.
- (k) "HHS" means the United States department of health and human services.
- (l) "HHS-HCFA" means the HHS health care financing administration.
- (m) "HHS-SSA" means HHS social security administration.
- (n) "HUD" means the United States department of housing and urban development.
- (o) "IDG" means interdepartmental grant.
- (p) "MIOSHA" means the Michigan occupational safety and health administration.
- (q) "NFAH" means the national foundation of the arts and the humanities.
- (r) "NFAH-NEA" means the NFAH national endowment for the arts.

Sec. 203. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 204. A department or agency billed by the department of civil service for the 1% charge authorized by section 5 of article XI of the state constitution of 1963 by the end of the first fiscal quarter shall pay the total amount of the billing by the end of the second fiscal quarter.

Sec. 205. Of the funds appropriated in part 1 that are in units other than the grants unit, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the regulatory subcommittees of the house and senate appropriations committees at least 10 days before the grant is issued or at least 72 hours before any announcement to local governmental units or the public.

Sec. 206. The department shall not permit any other department, agency, or office of this state to use funds or FTE positions authorized for the department or allow any funds or FTE positions from any other department, agency, or office to be used within the department without a 30-day notice given to the appropriate subcommittees of the house and senate appropriations committees.

Sec. 207. (1) Beginning October 1, 1999, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The state budget director shall 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. The state budget director shall report by the fifteenth of each month 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 month and the reasons to justify the exceptions.

Sec. 208. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 209. (1) The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies or both for the department.

(2) The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies or both.

Sec. 210. Money appropriated in part 1 shall not be used for the purchase of foreign goods or services when competitively priced and of comparable quality American goods or services are available.

Sec. 211. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

Sec. 213. Sixty days before beginning any effort to privatize, the departments shall submit a complete project plan to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies within 30 months.

Sec. 214. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the fiscal agencies, and the house and senate standing committees having jurisdiction over technology issues quarterly reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) Beginning with the report on April 1, 2000, the department shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the senate and house standing committees having jurisdiction over technology issues quarterly reports identifying for the immediately preceding quarter significant problems with information systems, occurrences of information system failure as a result of noncompliance with year 2000 standards, and previously unidentified areas of significant impact. These reports shall identify systems needing corrective action and the contractual obligations of accountable parties. These reports shall give the status of the progress made in repairing and testing applications, the status of vendor supplied solutions to problems, information on the activation of manual or contract processes used to correct problems, and an itemization of the additional costs incurred.

(3) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond and for costs incurred as a result of initiating corrective actions. At the time progress billings are presented for reimbursement, the department shall identify the funding sources that should support the work performed and the department of management and budget shall forward the appropriated funding.

Sec. 215. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The first report shall be due March 1, 2000, and biennially thereafter beginning on May 1 and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the fiscal agencies, and the director.

Sec. 216. The department shall implement a pilot program that places reports required by this act on the Internet, with electronic notification to legislative offices of Internet access to the reports. During fiscal year 2000, the department shall continue to distribute all of these reports to the legislature in the current printed format.

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

Sec. 302. The funds collected by the financial institutions bureau in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be

appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 303. The funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before June 1, 2000 to the regulatory subcommittees of the house and senate appropriations committees that states the amount of revenue received from the sale of information.

Sec. 305. The appropriation in part 1 may be used for per diem payments to the members of commissions or boards for a full day of committee work at which a quorum is present or for performing official business as authorized by each respective commission or board. The per diem payments shall be at a rate as follows:

(a) Michigan board of chiropractic medicine.....	\$50.00 per day
(b) Michigan board of dentistry	\$50.00 per day
(c) Michigan board of medicine	\$50.00 per day
(d) Board of nursing.....	\$50.00 per day
(e) Michigan board of optometry	\$50.00 per day
(f) Michigan board of osteopathic medicine and surgery	\$50.00 per day
(g) Michigan board of pharmacy	\$50.00 per day
(h) Michigan board of podiatric medicine and surgery.....	\$50.00 per day
(i) Michigan board of psychology.....	\$50.00 per day
(j) Michigan board of physical therapy.....	\$50.00 per day
(k) Physicians' assistants task force.....	\$50.00 per day
(l) Michigan board of veterinary medicine.....	\$50.00 per day
(m) Michigan board of occupational therapists	\$50.00 per day
(n) Michigan board of professional counselors	\$50.00 per day
(o) Health occupations council.....	\$50.00 per day
(p) Board of accountancy.....	\$50.00 per day
(q) Board of architects.....	\$50.00 per day
(r) Athletic board of control	\$50.00 per day
(s) Board of barber examiners	\$50.00 per day
(t) Residential builders' and maintenance and alteration contractor's board	\$50.00 per day
(u) Carnival-amusement safety board	\$50.00 per day
(v) Collection practices board.....	\$50.00 per day
(w) Board of cosmetology.....	\$50.00 per day
(x) Employment agency board.....	\$50.00 per day
(y) Board of professional engineers.....	\$50.00 per day
(z) Board of land surveyors	\$50.00 per day
(aa) Board of landscape architects.....	\$50.00 per day
(bb) Board of marriage counselors	\$50.00 per day
(cc) Board of examiners in mortuary science	\$50.00 per day
(dd) Nursing home administrators' board.....	\$50.00 per day
(ee) Board of real estate brokers and salespersons	\$50.00 per day
(ff) Ski area safety board	\$50.00 per day
(gg) Board of examiners of social workers	\$50.00 per day
(hh) Commission on professional and occupational licensure	\$50.00 per day

(ii) Board of real estate appraisers	\$50.00 per day
(jj) Utility consumer participation board	\$50.00 per day
(kk) Construction code commission	\$50.00 per day
(ll) Plumbing board	\$50.00 per day
(mm) Electrical board	\$50.00 per day
(nn) Barrier free design board	\$50.00 per day
(oo) Mechanical board	\$50.00 per day
(pp) Boiler board	\$50.00 per day
(qq) Elevator board	\$50.00 per day
(rr) General industry safety standards commission	\$50.00 per day
(ss) General industry safety standards advisory committees	\$50.00 per day
(tt) Construction safety standards commission	\$50.00 per day
(uu) Construction safety standards advisory committees	\$50.00 per day
(vv) Board of health and safety compliance appeals	\$50.00 per day
(ww) Occupation health standards commission	\$50.00 per day
(xx) Fire safety board	\$50.00 per day
(yy) Occupational health standards advisory committee	\$50.00 per day

Sec. 306. (1) The Michigan council for arts and cultural affairs in the department shall administer the arts and cultural grants appropriated in part 1. The council shall provide for fair and independent decisions on arts and cultural grant requests based upon published criteria to evaluate program quality. This criteria shall include a prohibition of art projects that include displays of human wastes on religious symbols, displays of sex acts, and depictions of flag desecration. The council shall seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received. Priority shall be given to projects that serve multiple counties and that leverage significant additional public and private investment. Counties, cities, villages, townships, community foundations, and organizations may apply for the following categories of grants:

- (a) State arts anchor organizations that serve a statewide or regional audience.
- (b) Arts education programs, also known as the arts and learning programs.
- (c) Local arts programs.
- (d) Arts organization development programs. These programs are designed to encourage self-sufficiency in organizations. Grant awards under this program are limited to 4 grant periods.
- (e) Historical organizations and projects.
- (f) Zoos.
- (g) Publicly owned facilities, excluding stadiums used primarily for professional sports events.
- (h) Cultural and community organizations and projects.
- (i) Art institutions.
- (j) Symphony orchestras.
- (k) Multicounty regional arts regranting and programming councils.
- (l) Music education camps.
- (m) Capital outlay projects.

(2) Applications for arts and cultural grants shall be received by the department, Michigan council for arts and cultural affairs, not later than June 1, 2000.

(3) The appropriation for arts and cultural grants in part 1 and disbursed under this section shall, at a minimum, be matched on an equal dollar-for-dollar basis from local and private contributions paid and received by each awardee receiving grants under this section. The dollar-for-dollar match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions subject also to the preapproval of such a match by the Michigan council for arts and cultural affairs. The council shall receive proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period. The council shall submit a report to the regulatory subcommittees of the house and senate appropriations committees regarding those counties, cities, villages, townships, community foundations, and organizations failing to meet their matching requirements by the end of the award period.

(4) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to eligible applicants for the purposes in this section, the department shall execute a grant agreement with each grantee. The grant agreement shall specify the criteria included in this section with which the application complies. The grant agreement shall include a list of the projects funded and the amount of funds each subgrantee, if applicable, will receive

for those projects. A contract shall not be executed and dollars shall not be disbursed until 2 weeks after the regulatory subcommittees of the house and senate appropriations committees have received a copy of the proposed contract.

(5) By November 1, 1999, the department shall report to the regulatory subcommittees of the house and senate appropriations committees on how the council intends to implement the provisions of this section, including the process for evaluating organization quality and efforts to achieve an equitable geographic distribution of grants.

(6) By not later than 1 month after the grant application deadline, the department shall provide a list of all grant applications, by county, to the regulatory subcommittees of the house and senate appropriations committees. The department shall, at least 30 days before the award of any grant, provide the regulatory subcommittees of the house and senate appropriations committees a list of all proposed grant awardees.

(7) Counties, cities, villages, townships, community foundations, and organizations receiving funds under this section shall provide the following reports to the Michigan council for arts and cultural affairs and to the regulatory subcommittees of the house and senate appropriations committees:

(a) A final report covering the grant period and due within 30 days after the end of the grant period indicating at least the following:

(i) Revenues and expenditures, indicating whether revenues are from private donations or fees.

(ii) Number of employees.

(iii) Number of new hires.

(b) For awardees receiving grants greater than \$100,000.00, a copy of the awardee's annual report and audit report for the fiscal year in which the majority of the grant took place due within 90 days after the end of the awardee's fiscal year. The audit report shall include an audit of grant funds. A representative sampling of grant agreements shall be audited by the state auditor general. The audit report shall be submitted to the regulatory subcommittees of the house and senate appropriations committees for review. These awardees shall also submit the information in subdivision (a) on a quarterly basis for the immediately preceding quarter due on January 7, 2000, April 7, 2000, July 7, 2000, and October 7, 2000.

(8) The recipients of grant funds under this section shall be announced by the department by September 15, 2000.

(9) A grant awarded under this section and the matching funds which conferred eligibility for the grant award shall be used by the recipient of the grant award and shall not be redistributed by that recipient to any other entity unless specifically provided for in the grant agreement between the funded grant awardee and the Michigan council for arts and cultural affairs.

(10) The applicants for arts and cultural grant funds shall be charged a nonrefundable application fee of \$100.00 or 1% of the grant, whichever is less. The application fee may be used by the department to recover direct and indirect costs as appropriated in part 1.

(11) From the funds appropriated in part 1 for arts and cultural grants, organizations receiving grants within the state arts anchor organization category for either the fiscal year ending September 30, 1999 or the fiscal year ending September 30, 2000 shall not receive a combined grant award from this and any other Michigan council for arts and cultural affairs grant categories, with the exception of the partnership program, in excess of 19.8% of the organization's operating revenue. For the purposes of this subsection, "operating revenue" shall be defined in the same manner as it was defined during the fiscal year 1999 state arts anchor organization application process. It is the intent of the legislature that the Michigan council for arts and cultural affairs take appropriate steps to ensure that all organizations receiving state arts anchor organization grants have combined grant awards, as defined above, of no more than 15.0% of operating revenue for the fiscal year ending September 30, 2005 and beyond.

Sec. 307. The department may receive and expend contributions from public, private, and federal sources, except state agencies, for the purpose of acquiring or constructing art objects or promoting or preserving the arts in or on state properties. Expenditures of any funds received shall be consistent with the purposes of the Faxon-McNamee art in public places act, 1980 PA 105, MCL 18.71 to 18.81. Any funds received under this section are considered a work project account and may be carried forward into the succeeding fiscal year.

Sec. 308. The Michigan state housing development authority shall annually present a report to the regulatory subcommittees of the house and senate appropriations committees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 309. The department shall assess and collect fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall not exceed the deducts in part 1 and shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 311. The appropriation in part 1 for the department, bureau of safety and regulation, safety education and training division, includes funding for on-site consultation and education and training programs. The appropriation in part 1 anticipates that 90% of the on-site consultation program costs and 50% of the education and training program costs will be supported by federal OSHA funds and the remaining 10% and 50% respectively will be supported by safety education and training funds. If federal OSHA funding does not become available to cover up to 90% of the program costs for on-site consultation and 50% for education and training, up to 50% of the program costs for on-site consultation and 90% of the program costs for education and training may be paid from the safety education and training fund as a match for available federal funds.

Sec. 312. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in R 408.8151 of the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the regulatory subcommittees of the house and senate appropriations committees on the amount of funds available under this section.

Sec. 313. If the revenue collected by the department for occupational safety and health, health systems administration, or radiological health administration and projects from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 314. Money appropriated under this act for fire safety programs shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

<u>Operation and maintenance inspection fee</u>		
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>		<u>Fee</u>
\$101,000.00 or less		minimum fee of \$125.00
\$101,001.00 to \$1,500,000.00		\$1.24 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00		\$0.90 per \$1,000.00
\$10,000,001.00 or more		\$0.70 per \$1,000.00
		or a maximum fee of \$50,000.00.

Sec. 315. The department shall furnish the clerk of the house, the secretary of the senate, and the members of the house and senate appropriations committees with any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the family independence agency, as required by 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the subcommittees and the fiscal agencies.

Sec. 316. (1) From the amount appropriated in part 1 to health systems administration, the department shall provide funding for not less than 113 inspectors to annually survey and investigate the care and services delivered in nursing homes, county medical care facilities, and hospital long-term care units in accordance with provisions in the public health code, 1978 PA 368, MCL 333.1101 to 333.25211, and federal Medicare and Medicaid certification standards.

(2) The department, in keeping with the severity of the allegations, shall investigate complaints alleging poor care and services occurring on nights or weekends in nursing homes, county medical care facilities, and hospital long-term care units by conducting on-site investigations on nights or weekends.

Sec. 317. If the revenue collected by the department from licensing and regulation fees exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 318. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the Michigan unemployment agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the regulatory subcommittees of the house and senate appropriations committees of the purpose and amount of each grant award.

Sec. 319. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$23,500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$12,200,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$180,800.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 320. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

(a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.

(c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303, with amendments.

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

(e) Labor law books.

(f) Worker's compensation health care services rules.

(g) Minimum design standards for health care facilities.

Sec. 321. (1) The department shall develop a nursing home quality care incentive program. The purpose of the program will be to provide financial incentives for nursing homes to develop high quality care services. Grants shall be awarded to nursing homes that can demonstrate an existing commitment to providing high quality care.

(2) The department shall develop the specific criteria for the awarding of these grants. At a minimum, these criteria shall include some measure of resident satisfaction with the level of care provided. The criteria may also include the results of the facility's annual survey conducted by the department.

(3) The department shall report to the house and senate appropriations committees and the fiscal agencies by October 1, 1999 regarding the exact criteria to be used in awarding the grants.

(4) The department shall both notify nursing home care providers of the criteria to be used in awarding grants and have the grant process in place by January 1, 2000.

(5) The department shall award all grant funds appropriated for this purpose by September 30, 2000 and by September 30 of each year thereafter.

Sec. 323. The department shall report to the appropriations subcommittees and the fiscal agencies on March 1, 2000 and September 1, 2000 on the initial and follow-up surveys conducted on all nursing homes in this state. The report shall include all of the following information:

(a) The number of surveys conducted.

(b) The number requiring follow-up surveys.

(c) The number referred to the Michigan public health institute for remediation.

(d) The number of citations per home.

(e) The number of night and weekend complaints filed.

(f) The number of night and weekend responses to complaints conducted by the department.

(g) The average length of time for the department to respond to a complaint filed against a nursing home.

Sec. 324. The department, bureau of safety and regulation, shall provide an annual report by February 1 of each year to the appropriate house and senate appropriations subcommittees and the fiscal agencies on the number of individuals

killed and the number of individuals injured on the job within industries regulated by the bureau during the preceding calendar year.

Sec. 325. The department shall report by November 1, 1999 to the legislature and the fiscal agencies the status of the nursing home complaint investigation backlog and any suggested revisions to current statute or promulgated rules that will assist in improving the effectiveness of the nursing home survey and complaint investigation process.

Sec. 326. As a condition for receiving the general fund/general purpose appropriations in part 1 for health systems administration, the department shall provide assistance to any person making an oral request for a nursing home investigation in putting his or her request into writing, shall initiate investigations on all written nursing home complaints filed with the department within 15 days of receipt of the complaint, and shall provide a written response to the complainant within 30 days of receipt of the written complaint.

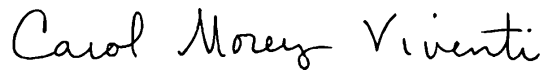
Sec. 327. Of the funds appropriated in part 1 for insurance bureau administration, the insurance bureau may utilize up to \$15,000.00 in insurance regulatory and licensing fee revenue to pay for legislators designated by the senate majority leader and speaker of the house of representatives to participate in insurance activities coordinated by insurance and legislative associations including the national association of insurance commissioners and the national council of insurance legislators in accordance with section 225 of the insurance code of 1956, 1956 PA 218, MCL 500.225. The insurance commissioner shall maintain a list of the names of and amounts provided to individual legislators pursuant to this section.

Sec. 328. It is the intent of the legislature that the unemployment agency, during its transition to the remote initial claims system, operate a sufficient number of unemployment agency offices, including itinerant or satellite offices, within Michigan's Upper Peninsula to ensure that the citizens of the Upper Peninsula can access these offices without excessive travel.

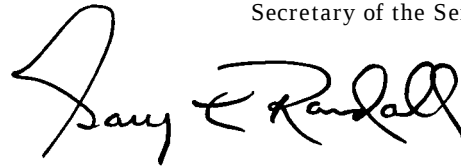
Sec. 329. The department shall provide for the updating of all relevant files and lists maintained by the Michigan child care clearinghouse. The department shall provide a report to the appropriate house and senate appropriations subcommittees on the costs involved with complying with this section by September 30, 2000.

Sec. 330. As a condition for receiving the funds appropriated in part 1 for emergency medical services grants and contracts, the department and the relevant grantees shall work collaboratively to develop a plan to ensure that a sufficient number of qualified emergency medical services personnel exist to serve rural areas of the state. This plan shall be submitted to the relevant house and senate appropriations subcommittees and the fiscal agencies by January 15, 2000.

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved _____

Governor.