

REPRINT

SENATE SUBSTITUTE FOR

HOUSE BILL NO. 5705

(As passed the Senate December 5, 2002)

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2002 and the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1
2 LINE-ITEM APPROPRIATIONS
3 FOR FISCAL YEAR 2001-2002
4 Sec. 101. There is appropriated for the various state departments
5 and agencies to supplement appropriations for the fiscal year ending
6 September 30, 2002, from the following funds:
7 APPROPRIATION SUMMARY:
8 GROSS APPROPRIATION..... \$ 19,212,200
9 Interdepartmental grant revenues:

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1	Total interdepartmental grants and intradepartmental	
2	transfers.....	0
3	ADJUSTED GROSS APPROPRIATION.....	\$ 19,212,200
4	Federal revenues:	
5	Total federal revenues.....	9,000,000
6	Special revenue funds:	
7	Total local revenues.....	(800,000)
8	Total private revenues.....	0
9	Total other state restricted revenues.....	19,481,400
10	State general fund/general purpose.....	\$ (8,469,200)

11 Sec. 102. CAPITAL OUTLAY

12 (1) APPROPRIATION SUMMARY

13	GROSS APPROPRIATION.....	\$ 0
14	Interdepartmental grant revenues:	
15	Total interdepartmental grants and intradepartmental	
16	transfers.....	0
17	ADJUSTED GROSS APPROPRIATION.....	\$ 0
18	Total federal revenues.....	0
19	Total local revenues.....	0
20	Total private revenues.....	0
21	Total state restricted revenues.....	9,600,000
22	State general fund/general purpose.....	\$ (9,600,000)

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(2) DEPARTMENT OF TRANSPORTATION

AERONAUTICS FUND: AIRPORT PROGRAMS

Airport safety and protection plan.....	\$	<u>0</u>
GROSS APPROPRIATION.....	\$	0
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund.....		9,600,000
State general fund/general purpose.....	\$	(9,600,000)

Sec. 103. COMMUNITY COLLEGES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	(1,655,200)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION.....	\$	(1,655,200)
Total federal revenues.....		0
Total local revenues.....		0
Total private revenues.....		0
Total state restricted revenues.....		(1,655,200)
State general fund/general purpose.....	\$	0

(2) FINANCIAL AID

Postsecondary access student scholarship program.....	\$	<u>(1,655,200)</u>
GROSS APPROPRIATION.....	\$	(1,655,200)
Appropriated from:		

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1	Special revenue funds:	
2	Michigan merit award trust fund.....	(1,655,200)
3	State general fund/general purpose..... \$	0
4	Sec. 104. DEPARTMENT OF COMMUNITY HEALTH	
5	(1) APPROPRIATION SUMMARY	
6	GROSS APPROPRIATION..... \$	0
7	Interdepartmental grant revenues:	
8	Total interdepartmental grants and intradepartmental	
9	transfers.....	0
10	ADJUSTED GROSS APPROPRIATION..... \$	0
11	Federal revenues:	
12	Total federal revenues.....	0
13	Special revenue funds:	
14	Total local revenues.....	(800,000)
15	Total private revenues.....	0
16	Total other state restricted revenues.....	800,000
17	State general fund/general purpose..... \$	0
18	(2) MEDICAL SERVICES	
19	Wayne County medical program..... \$	0
20	GROSS APPROPRIATION..... \$	0
21	Appropriated from:	
22	Federal revenues:	
23	Special revenue funds:	
24	Total local revenues.....	(800,000)

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1	Total other state restricted revenues.....	800,000
2	State general fund/general purpose..... \$	0
3	Sec. 105. DEPARTMENT OF EDUCATION	
4	(1) APPROPRIATION SUMMARY	
5	GROSS APPROPRIATION..... \$	1,130,800
6	Interdepartmental grant revenues:	
7	Total interdepartmental grants and intradepartmental	
8	transfers.....	0
9	ADJUSTED GROSS APPROPRIATION..... \$	1,130,800
10	Federal revenues:	
11	Total federal revenues.....	0
12	Special revenue funds:	
13	Total local revenues.....	0
14	Total private revenues.....	0
15	Total other state restricted revenues.....	0
16	State general fund/general purpose..... \$	1,130,800
17	(2) GRANTS AND DISTRIBUTIONS	
18	STATE PROGRAMS:	
19	School breakfast programs..... \$	<u>1,130,800</u>
20	GROSS APPROPRIATION..... \$	1,130,800
21	Appropriated from:	
22	State general fund/general purpose..... \$	1,130,800

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1	Sec. 106. FAMILY INDEPENDENCE AGENCY		
2	(1) APPROPRIATION SUMMARY		
3	GROSS APPROPRIATION.....	\$	9,000,000
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and intradepartmental		
6	transfers.....		0
7	ADJUSTED GROSS APPROPRIATION.....	\$	9,000,000
8	Federal revenues:		
9	Total federal revenues.....		9,000,000
10	Special revenue funds:		
11	Total local revenues.....		0
12	Total private revenues.....		0
13	Total other state restricted revenues.....		0
14	State general fund/general purpose.....	\$	0
15	(2) PUBLIC ASSISTANCE		
16	Homestead property tax credit for low-income families	\$	<u>9,000,000</u>
17	GROSS APPROPRIATION.....	\$	9,000,000
18	Appropriated from:		
19	Federal revenues:		
20	Total federal revenues.....		9,000,000
21	Special revenue funds:		
22	State general fund/general purpose.....	\$	0

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1	Sec. 107. HIGHER EDUCATION		
2	(1) APPROPRIATION SUMMARY		
3	GROSS APPROPRIATION.....	\$	10,736,600
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and intradepartmental		
6	transfers.....		0
7	ADJUSTED GROSS APPROPRIATION.....	\$	10,736,600
8	Federal revenues:		
9	Total federal revenues.....		0
10	Special revenue funds:		
11	Total local revenues.....		0
12	Total private revenues.....		0
13	Total other state restricted revenues.....		10,736,600
14	State general fund/general purpose.....	\$	0
15	(2) GRANTS AND FINANCIAL AID		
16	Tuition grants.....	\$	1,655,200
17	Michigan merit award program.....		<u>9,081,400</u>
18	GROSS APPROPRIATION.....	\$	10,736,600
19	Appropriated from:		
20	Special revenue funds:		
21	Michigan merit award trust fund.....		10,736,600
22	State general fund/general purpose.....	\$	0
23			
24			

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1 PART 1A

2 LINE-ITEM APPROPRIATIONS

3 FOR FISCAL YEAR 2002-2003

4 Sec. 151. There is appropriated for the various state departments
5 and agencies to supplement appropriations for the fiscal year ending
6 September 30, 2003, from the following funds:

7 APPROPRIATION SUMMARY:

8	GROSS APPROPRIATION.....	\$	117,767,234
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and intradepartmental		
11	transfers.....		0
12	ADJUSTED GROSS APPROPRIATION.....	\$	117,767,234
13	Federal revenues:		
14	Total federal revenues.....		52,335,100
15	Special revenue funds:		
16	Total local revenues.....		(6,100,000)
17	Total private revenues.....		0
18	Total other state restricted revenues.....		111,498,834
19	State general fund/general purpose.....	\$	(39,966,700)

20 **Sec. 152. CAPITAL OUTLAY**

21 **(1) APPROPRIATION SUMMARY**

22	GROSS APPROPRIATION.....	\$	47,605,400
23	Interdepartmental grant revenues:		
24	Total interdepartmental grants and intradepartmental		
25	transfers.....		0

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1	ADJUSTED GROSS APPROPRIATION.....	\$	47,605,400
2	Total federal revenues.....		22,350,000
3	Total local revenues.....		0
4	Total private revenues.....		0
5	Total state restricted revenues.....		25,253,400
6	State general fund/general purpose.....	\$	2,000
7	(2) STATE AGENCY, COMMUNITY COLLEGE, AND		
8	UNIVERSITY PLANNING PROJECTS		
9	Alpena Community College - instructional		
10	addition/renovation project, for program and plan-		
11	ning to be paid for from college revenues.....	\$	100
12	Bay de Noc Community College - Dickinson County		
13	facility, for program and planning to be paid for		
14	from college revenues.....		100
15	Delta College - allied health and nursing "F" wing		
16	renovations, for program and planning to be paid		
17	for from college revenues.....		100
18	Grand Rapids Community College - campus renovations,		
19	for program and planning to be paid for from col-		
20	lege revenues.....		100
21	Jackson Community College - new downtown center reno-		
22	vation project, for program and planning to be paid		
23	for from college revenues.....		100
24	Kalamazoo Valley Community College - center for new		
25	media, for program and planning to be paid for from		
26	college revenues.....		100

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1	Kellogg Community College - Roll building	
2	renovations, for program and planning to be paid	
3	for from college revenues.....	100
4	Lansing Community College - master plan phase I -	
5	technology facility, for program and planning to be	
6	paid for from college revenues.....	100
7	Muskegon Community College - library/technology	
8	center project, for program and planning to be paid	
9	for from college revenues.....	100
10	North Central Michigan College - university and	
11	science center, for program and planning to be paid	
12	for from college revenues.....	100
13	Schoolcraft College - technical service facility, for	
14	program and planning to be paid for from college	
15	revenues.....	100
16	Southwestern Michigan College - M-Tech center	
17	expansion/Wood building renovation, for program and	
18	planning to be paid for from college revenues.....	100
19	Washtenaw Community College - renovations and science	
20	laboratory upgrade, for program and planning to be	
21	paid for from college revenues.....	100
22	West Shore Community College - media center building,	
23	for program and planning to be paid for from col-	
24	lege revenues.....	100
25	Central Michigan University - education building, for	
26	program and planning to be paid for from university	
27	revenues.....	100

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1	Eastern Michigan University - Pray-Harrold classroom		
2	building modernization project, for program and		
3	planning to be paid for from university revenues...		100
4	Grand Valley State University - library addition and		
5	remodeling - for program and planning to be paid		
6	for from university revenues.....		100
7	University of Michigan - school of public health, for		
8	program and planning to be paid for from university		
9	revenues.....		100
10	Ferris State University - optometry building, for		
11	program and planning to be paid for from university		
12	revenues.....		100
13	Western Michigan University - Sangren hall/education		
14	building, for program and planning to be paid for		
15	from university revenues.....	<u>100</u>	
16	GROSS APPROPRIATION.....	\$	2,000
17	Appropriated from:		
18	State general fund/general purpose.....	\$	2,000
19	(3) DEPARTMENT OF MILITARY AFFAIRS		
20	Lump sum projects:		
21	For department of military affairs remodeling and		
22	additions and special maintenance projects.....	\$	4,100,000
23	Lansing readiness center, for design and construction		
24	(total authorized cost \$19,000,000; federal share		
25	\$18,250,000; state armory construction fund share		
26	\$750,000).....	<u>19,000,000</u>	

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1	GROSS APPROPRIATION.....	\$	23,100,000	
2	Appropriated from:			
3	Federal revenues:			
4	DOD, department of the army, national guard bureau...	\$	22,350,000	
5	Armory construction fund.....		750,000	
6	State general fund/general purpose.....	\$	0	
7	(4) DEPARTMENT OF NATURAL RESOURCES			
8	(a) STATE PARKS			
9	State park infrastructure improvements.....	\$	<u>5,200,000</u>	
10	GROSS APPROPRIATION.....	\$	5,200,000	
11	Appropriated from:			
12	Special revenue funds:			
13	State park endowment fund.....	\$	5,200,000	
14	State general fund/general purpose.....	\$	0	
15	(b) WATERWAYS BOATING PROGRAM			
16	Boating program, state boating access sites:			
17	Monroe County, Monroe, Bolles boating access site			
18	improvements (total project cost \$475,000, state			
19	share \$475,000).....			475,000
20	Boating program, harbors and docks, state			
21	facilities:			
22	Mackinac Island, marina expansion (total project cost			
23	\$11,025,000, state share \$11,025,000).....			(9,025,000)
24	Monroe County, Monroe, Bolles harbor, marina expan-			
25	sion and improvements (total project cost			
26	\$3,750,000, state share \$3,750,000).....			3,750,000

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1	Boating program, harbors and docks, local		
2	facilities:		
3	Muskegon County, Muskegon, marina rehabilitation and		
4	upgrades (total project cost \$2,000,000, state		
5	share \$1,000,000).....		<u>1,000,000</u>
6	GROSS APPROPRIATION.....	\$	(3,800,000)
7	Appropriated from:		
8	Special revenue funds:		
9	Michigan state waterways fund.....		(3,800,000)
10	State general fund/general purpose.....	\$	0
11	(5) MICHIGAN NATURAL RESOURCES TRUST FUND		
12	Natural resources trust fund projects.....	\$	<u>23,103,400</u>
13	Michigan natural resources trust fund acquisition		
14	projects (by priority):		
15	1. Tip of the Keweenaw acquisition - phase II, Keweenaw County		
16	(#02-187)		
17	2. Acquire Houghmaster property, Alpena County (grant-in-aid		
18	to Alpena Township) (#02-128)		
19	3. Acquisition of deeryards, Menominee and Dickinson counties		
20	(#02-201)		
21	4. Addition to Dolph nature area, Washtenaw County		
22	(grant-in-aid to city of Ann Arbor) (#02-113)		
23	5. Berberian property acquisition, Oakland County		
24	(grant-in-aid to city of Southfield) (#02-148)		
25	6. Dowagiac River access acquisition, Cass County (#02-178)		
26	7. Boardman nature education reserve expansion, Grand Traverse		
27	County (grant-in-aid to Garfield Township) (#02-220)		

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1	8. Oakland Township Lost Lake park acquisition, Oakland County		
2	(grant-in-aid to Oakland Township) (#02-013)		
3	9. Resort bluffs, Emmet County (grant-in-aid to Emmet County)		
4	(#02-026)		
5	10. Kamehameha trust land acquisition - phase I, Chippewa,		
6	Luce, Schoolcraft, Alger, Marquette, Baraga, Houghton,		
7	Ontonagon, and Gogebic counties (#02-219)		
8	11. Denison tract acquisition - phase I, Allegan County		
9	(#02-218)		
10	12. Acquisition on Mackinac Island, Mackinac County		
11	(grant-in-aid to Mackinac Island park commission) (#02-		
12	204)		
13	13. Riverside park acquisition, Osceola County (grant-in-aid		
14	to city of Evart) (#02-028)		
15	14. Elk view acquisition, Otsego County (grant-in-aid to city		
16	of Gaylord) (#02-083)		
17	15. Mecosta Township park acquisition, Mecosta County		
18	(grant-in-aid to Mecosta Township) (#02-212)		
19	16. Township park expansion, Saginaw County (grant-in-aid to		
20	Kochville Township) (#02-019)		
21	17. Flat River trail acquisitions, Montcalm County		
22	(grant-in-aid to city of Greenville) (#02-133)		
23	GROSS APPROPRIATION.....	\$	23,103,400
24	Appropriated from:		
25	Special revenue funds:		
26	Michigan natural resources trust fund.....		23,103,400

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1	State general fund/general purpose.....	\$	0
2	Sec. 153. COMMUNITY COLLEGES		
3	(1) APPROPRIATION SUMMARY		
4	GROSS APPROPRIATION.....	\$	2,157,182
5	Interdepartmental grant revenues:		
6	Total interdepartmental grants and intradepartmental		
7	transfers.....		0
8	ADJUSTED GROSS APPROPRIATION.....	\$	2,157,182
9	Total federal revenues.....		0
10	Total local revenues.....		0
11	Total private revenues.....		0
12	Total state restricted revenues.....		1,595,982
13	State general fund/general purpose.....	\$	561,200
14	(2) GRANTS		
15	Renaissance zone tax reimbursement funding.....	\$	561,200
	At-risk-student success program.....		<u>18,461</u>
16	GROSS APPROPRIATION.....	\$	579,661
17	Appropriated from:		
	Special revenue funds:		
	Michigan merit award trust fund.....	\$	18,461
18	State general fund/general purpose.....	\$	561,200
	(3) OPERATIONS		
	Alpena Community College.....	\$	26,560
	Bay de Noc Community College.....		25,650
	Delta College.....		74,069
	Glen Oaks Community College.....		12,428
	Gogebic Community College.....		21,826
	Grand Rapids Community College.....		93,167
	Henry Ford Community College.....		113,542
	Jackson Community College.....		62,852
	Kalamazoo Valley Community College.....		64,130
	Kellogg Community College.....		50,385
	Kirtland Community College.....		15,292
	Lake Michigan College.....		27,117
	Lansing Community College.....		161,115
	Macomb Community College.....		171,905
	Mid Michigan Community College.....		22,932

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Monroe County Community College.....	22,311
Montcalm Community College.....	16,138

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C.S. Mott Community College.....	81,457
Muskegon Community College.....	46,356
North Central Michigan College.....	15,701
Northwestern Michigan College.....	47,301
Oakland Community College.....	108,440
St. Clair County Community College.....	36,323
Schoolcraft College.....	63,644
Southwestern Michigan College.....	34,164
Washtenaw Community College.....	64,686
Wayne County Community College.....	86,119
West Shore Community College.....	<u>11,912</u>
GROSS APPROPRIATION..... \$	1,577,521
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	1,577,521
State general fund/general purpose..... \$	0

19 Sec. 154. DEPARTMENT OF COMMUNITY HEALTH

20 (1) APPROPRIATION SUMMARY

21 GROSS APPROPRIATION..... \$ 2,985,100

22 Interdepartmental grant revenues:

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1	Total interdepartmental grants and intradepartmental		
2	transfers.....	\$	0
3	ADJUSTED GROSS APPROPRIATION.....	\$	2,985,100
4	Federal revenues:		
5	Total federal revenues.....		2,985,100
6	Special revenue funds:		
7	Total local revenues.....		(6,100,000)
8	Total private revenues.....		0
9	Total other state restricted revenues.....		30,100,000
10	State general fund/general purpose.....	\$	(24,000,000)
11	(2) COMMUNITY LIVING, CHILDREN, AND FAMILIES		
12	Local MCH services.....	\$	<u>2,985,100</u>
13	GROSS APPROPRIATION.....	\$	2,985,100
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues.....		2,985,100
17	Special revenue funds:		
18	State general fund/general purpose.....	\$	0
19	(3) MEDICAL SERVICES		
20	State and local medical programs.....	\$	<u>0</u>
21	GROSS APPROPRIATION.....	\$	0
22	Appropriated from:		
23	Special revenue funds:		
24	Total local revenues.....		(6,100,000)
25	Total other state restricted revenues.....		30,100,000
26	State general fund/general purpose.....	\$	(24,000,000)

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1 Sec. 155. DEPARTMENT OF EDUCATION

2 (1) APPROPRIATION SUMMARY

3 GROSS APPROPRIATION..... \$ 1,500,000

4 Interdepartmental grant revenues:

5 Total interdepartmental grants and intradepartmental

6 transfers..... 0

7 ADJUSTED GROSS APPROPRIATION..... \$ 1,500,000

8 Federal revenues:

9 Total federal revenues..... 0

10 Special revenue funds:

11 Total local revenues..... 0

12 Total private revenues..... 0

13 Total other state restricted revenues..... 0

14 State general fund/general purpose..... \$ 1,500,000

15 (2) GRANTS AND DISTRIBUTIONS

16 STATE PROGRAMS:

17 School breakfast programs..... \$ 1,500,000

18 GROSS APPROPRIATION..... \$ 1,500,000

19 Appropriated from:

20 State general fund/general purpose..... \$ 1,500,000

21 Sec. 156. DEPARTMENT OF ENVIRONMENTAL QUALITY

22 (1) APPROPRIATION SUMMARY

23 GROSS APPROPRIATION..... \$ 1,900,000

24 Interdepartmental grant revenues:

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1	Total interdepartmental grants and intradepartmental		
2	transfers.....	\$	0
3	ADJUSTED GROSS APPROPRIATION.....	\$	1,900,000
4	Federal revenues:		
5	Total federal revenues.....		0
6	Special revenue funds:		
7	Total local revenues.....		0
8	Total private revenues.....		0
9	Total other state restricted revenues.....		1,900,000
10	State general fund/general purpose.....	\$	0
11	(2) EXECUTIVE		
12	Office of the Great Lakes.....	\$	<u>400,000</u>
13	GROSS APPROPRIATION.....	\$	400,000
14	Appropriated from:		
15	Special revenue funds:		
16	Great Lakes protection fund.....		400,000
17	State general fund/general purpose.....	\$	0
18	(3) ENVIRONMENTAL ASSISTANCE DIVISION		
19	Retired engineers technical assistance program.....	\$	<u>1,500,000</u>
20	GROSS APPROPRIATION.....	\$	1,500,000
21	Appropriated from:		
22	Special revenue funds:		
23	Retired engineers technical assistance fund.....		1,500,000
24	State general fund/general purpose.....	\$	0

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1	Sec. 156a. FAMILY INDEPENDENCE AGENCY		
2	(1) APPROPRIATION SUMMARY		
3	GROSS APPROPRIATION.....	\$	0
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and intradepartmental		
6	transfers.....	\$	0
7	ADJUSTED GROSS APPROPRIATION.....	\$	0
8	Federal revenues:		
9	Total federal revenues.....		27,000,000
10	Special revenue funds:		
11	Total private revenues.....		0
12	Total local revenues.....		0
13	Total other state restricted revenues.....		0
14	State general fund/general purpose.....	\$	(27,000,000)
15	(2) CHILD AND FAMILY SERVICES		
16	Foster care payments.....	\$	0
17	Wayne County foster care payments.....		<u>0</u>
18	GROSS APPROPRIATION.....	\$	0
19	Appropriated from:		
20	Federal revenues:		
21	Total federal revenues.....		7,000,000
22	State general fund/general purpose.....	\$	(7,000,000)
23	(3) JUVENILE JUSTICE SERVICES		
24	Child care fund.....	\$	<u>0</u>
25	GROSS APPROPRIATION.....	\$	0
26	Appropriated from:		

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1	Federal revenues:		
2	Total federal revenues.....		20,000,000
3	State general fund/general purpose.....	\$	(20,000,000)
4	Sec. 157. HIGHER EDUCATION		
5	(1) APPROPRIATION SUMMARY		
6	GROSS APPROPRIATION.....	\$	13,010,952
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers.....		0
10	ADJUSTED GROSS APPROPRIATION.....	\$	13,010,952
11	Federal revenues:		
12	Total federal revenues.....		0
13	Special revenue funds:		
14	Total local revenues.....		0
15	Total private revenues.....		0
16	Total other state restricted revenues.....		9,060,952
17	State general fund/general purpose.....	\$	3,950,000
18	(2) MICHIGAN STATE UNIVERSITY		
19	Animal health diagnostic lab.....	\$	700,000
20	Agriculture experiment station.....		1,750,000
21	Michigan State University extension.....	\$	<u>1,500,000</u>
22	GROSS APPROPRIATION.....	\$	3,950,000
23	Appropriated from:		
24	State general fund/general purpose.....	\$	3,950,000
	(3) CENTRAL MICHIGAN UNIVERSITY		
	Operations.....		<u>450,019</u>
	GROSS APPROPRIATION.....	\$	<u>450,019</u>
	Appropriated from:		
	Special revenue funds:		

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Michigan merit award trust fund.....	450,019
State general fund/general purpose..... \$	0

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(4) EASTERN MICHIGAN UNIVERSITY	
Operations.....	<u>438,186</u>
GROSS APPROPRIATION..... \$	438,186
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	438,186
State general fund/general purpose..... \$	0
(5) FERRIS STATE UNIVERSITY	
Operations.....	<u>277,602</u>
GROSS APPROPRIATION..... \$	277,602
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	277,602
State general fund/general purpose..... \$	0
(6) GRAND VALLEY STATE UNIVERSITY	
Operations.....	<u>300,477</u>
GROSS APPROPRIATION..... \$	300,477
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	300,477
State general fund/general purpose..... \$	0
(7) LAKE SUPERIOR STATE UNIVERSITY	
Operations.....	<u>71,344</u>
GROSS APPROPRIATION..... \$	71,344
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	71,344
State general fund/general purpose..... \$	0
(8) MICHIGAN STATE UNIVERSITY	
Operations.....	<u>1,629,912</u>
GROSS APPROPRIATION..... \$	1,629,912
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	1,629,912
State general fund/general purpose..... \$	0
(9) MICHIGAN TECHNOLOGICAL UNIVERSITY	
Operations.....	<u>276,208</u>
GROSS APPROPRIATION..... \$	276,208
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	276,208
State general fund/general purpose..... \$	0
(10) NORTHERN MICHIGAN UNIVERSITY	
Operations.....	<u>260,065</u>
GROSS APPROPRIATION..... \$	260,065
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	260,065
State general fund/general purpose..... \$	0
(11) OAKLAND UNIVERSITY	
Operations.....	<u>261,924</u>
GROSS APPROPRIATION..... \$	261,924
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	261,924
State general fund/general purpose..... \$	0
(12) SAGINAW VALLEY STATE UNIVERSITY	

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Operations.....		<u>136,967</u>
GROSS APPROPRIATION.....	\$	136,967

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Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	136,967
State general fund/general purpose..... \$	0
(13) UNIVERSITY OF MICHIGAN-ANN ARBOR	
Operations.....	<u>1,817,814</u>
GROSS APPROPRIATION..... \$	1,817,814
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	1,817,814
State general fund/general purpose..... \$	0
(14) UNIVERSITY OF MICHIGAN-DEARBORN	
Operations.....	<u>139,967</u>
GROSS APPROPRIATION..... \$	139,967
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	139,967
State general fund/general purpose..... \$	0
(15) UNIVERSITY OF MICHIGAN-FLINT	
Operations.....	<u>120,341</u>
GROSS APPROPRIATION..... \$	120,341
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	120,341
State general fund/general purpose..... \$	0
(16) WAYNE STATE UNIVERSITY	
Operations.....	<u>1,268,224</u>
GROSS APPROPRIATION..... \$	1,268,224
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	1,268,224
State general fund/general purpose..... \$	0
(17) WESTERN MICHIGAN UNIVERSITY	
Operations.....	<u>628,386</u>
GROSS APPROPRIATION..... \$	628,386
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	628,386
State general fund/general purpose..... \$	0
(18) STATE AND REGIONAL PROGRAMS	
Agricultural experiment station.....	184,244
Cooperative extension service.....	158,913
Japan center for Michigan universities.....	1,527
Higher education database modernization and conversion.....	<u>1,250</u>
GROSS APPROPRIATION..... \$	345,934
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	345,934
State general fund/general purpose..... \$	0
(19) MARTIN LUTHER KING,JR.-CESAR CHAVEZ- ROSA PARKS PROGRAM	
Select student supportive services..... \$	10,867
Michigan college/university partnership program.....	3,260
Morris Hood, Jr. educator development program.....	<u>826</u>
GROSS APPROPRIATION..... \$	14,953
Appropriated from:	

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Special revenue funds:	
Michigan merit award trust fund.....	14,953

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State general fund/general purpose.....	\$	0
(20) GRANTS AND FINANCIAL AID		
State competitive scholarships.....		165,273
Tuition grants.....		330,501
Michigan work study program.....		40,079
Part-time independent student program.....		14,515
Grant for Michigan resident dental graduates.....		25,262
Grant for general degree graduates.....		30,921
Grant for allied health graduates.....		4,676
Michigan education opportunity grants.....		<u>11,402</u>
GROSS APPROPRIATION.....	\$	622,629
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		622,629
State general fund/general purpose.....	\$	0

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1	Sec. 158. DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES		
2	(1) APPROPRIATION SUMMARY		
3	GROSS APPROPRIATION.....	\$	338,500
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and intradepartmental		
6	transfers.....		0
7	ADJUSTED GROSS APPROPRIATION.....	\$	338,500
8	Federal revenues:		
9	Total federal revenues.....		0
10	Special revenue funds:		
11	Total local revenues.....		0
12	Total private revenues.....		0
13	Total other state restricted revenues.....		0
14	State general fund/general purpose.....	\$	338,500
15	(2) LIBRARY OF MICHIGAN		
16	Renaissance zone reimbursement.....	\$	<u>338,500</u>
17	GROSS APPROPRIATION.....	\$	338,500
18	Appropriated from:		
19	State general fund/general purpose.....	\$	338,500
20	Sec. 158a. JUDICIARY		
21	(1) APPROPRIATION SUMMARY		
22	GROSS APPROPRIATION.....	\$	(2,278,300)
23	Interdepartmental grant revenues:		
24	Total interdepartmental grants and intradepartmental		
25	transfers.....		0

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1	ADJUSTED GROSS APPROPRIATION.....	\$	(2,278,300)
2	Federal revenues:		
3	Total federal revenues.....		0
4	Special revenue funds:		
5	Total local revenues.....		0
6	Total private revenues.....		0
7	Total other state restricted revenues.....		0
8	State general fund/general purpose.....	\$	(2,278,300)
9	(2) EARLY RETIREMENT AND BUDGETARY SAVINGS		
10	Budgetary savings.....	\$	<u>(2,278,300)</u>
11	GROSS APPROPRIATION.....	\$	(2,278,300)
12	Appropriated from:		
13	State general fund/general purpose.....	\$	(2,278,300)

14 Sec. 158b. LEGISLATURE

15 (1) APPROPRIATION SUMMARY

16	GROSS APPROPRIATION.....	\$	(1,075,500)
17	Interdepartmental grant revenues:		
18	Total interdepartmental grants and intradepartmental		
19	transfers.....		0
20	ADJUSTED GROSS APPROPRIATION.....	\$	(1,075,500)
21	Federal revenues:		
22	Total federal revenues.....		0
23	Special revenue funds:		
24	Total local revenues.....		0

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1	Total private revenues.....	0
2	Total other state restricted revenues.....	0
3	State general fund/general purpose..... \$	(1,075,500)
4	(2) LEGISLATURE	
5	Budgetary savings..... \$	(2,575,500)
6	House of representatives..... \$	<u>1,500,000</u>
7	GROSS APPROPRIATION..... \$	(1,075,500)
8	Appropriated from:	
9	State general fund/general purpose..... \$	(1,075,500)
10	Sec. 159. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS	
11	(1) APPROPRIATION SUMMARY	
12	GROSS APPROPRIATION..... \$	186,000
13	Interdepartmental grant revenues:	
14	Total interdepartmental grants and intradepartmental	
15	transfers.....	0
16	ADJUSTED GROSS APPROPRIATION..... \$	186,000
17	Federal revenues:	
18	Total federal revenues.....	0
19	Special revenue funds:	
20	Total local revenues.....	0
21	Total private revenues.....	0
22	Total other state restricted revenues.....	0
23	State general fund/general purpose..... \$	186,000

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1 (2) HEADQUARTERS AND ARMORIES

2	Civil air patrol.....	\$	<u>186,000</u>
3	GROSS APPROPRIATION.....	\$	186,000
4	Appropriated from:		
5	State general fund/general purpose.....	\$	186,000

6 Sec. 161. DEPARTMENT OF NATURAL RESOURCES

7 (1) APPROPRIATION SUMMARY

8	GROSS APPROPRIATION.....	\$	1,897,600
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and intradepartmental		
11	transfers.....		0
12	ADJUSTED GROSS APPROPRIATION.....	\$	1,897,600
13	Federal revenues:		
14	Total federal revenues.....		0
15	Special revenue funds:		
16	Total local revenues.....		0
17	Total private revenues.....		0
18	Total other state restricted revenues.....		1,897,600
19	State general fund/general purpose.....	\$	0

20 (2) PAYMENTS IN LIEU OF TAXES

21	Purchased lands taxes.....	\$	<u>1,897,600</u>
22	GROSS APPROPRIATION.....	\$	1,897,600
23	Appropriated from:		
24	Special revenue funds:		

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1	Environmental protection fund.....	1,897,600
2	State general fund/general purpose..... \$	0
3	Sec. 162. DEPARTMENT OF TRANSPORTATION	
4	(1) APPROPRIATION SUMMARY	
5	GROSS APPROPRIATION..... \$	1,690,900
6	Interdepartmental grant revenues:	
7	Total interdepartmental grants and intradepartmental	
8	transfers.....	0
9	ADJUSTED GROSS APPROPRIATION..... \$	1,690,900
10	Total federal revenues.....	0
11	Total local revenues.....	0
12	Total private revenues.....	0
13	Total other state restricted revenues.....	1,690,900
14	State general fund/general purpose..... \$	0
15	(2) EXECUTIVE DIRECTION	
16	Asset management council..... \$	<u>1,690,900</u>
17	GROSS APPROPRIATION..... \$	1,690,900
18	Appropriated from:	
19	Special revenue funds:	
20	Michigan transportation fund.....	1,690,900
21	State general fund/general purpose..... \$	0

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1	Sec. 163. DEPARTMENT OF TREASURY		
2	(1) APPROPRIATION SUMMARY		
3	GROSS APPROPRIATION.....	\$	47,849,400
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and intradepartmental		
6	transfers.....	\$	0
7	ADJUSTED GROSS APPROPRIATION.....	\$	47,849,400
8	Federal revenues:		
9	Total federal revenues.....		0
10	Special revenue funds:		
11	Total local revenues.....		0
12	Total private revenues.....		0
13	Total other state restricted revenues.....		40,000,000
14	State general fund/general purpose.....	\$	7,849,400
15	(2) DEBT SERVICE		
16	Quality of life bond.....	\$	<u>40,000,000</u>
17	GROSS APPROPRIATION.....	\$	40,000,000
18	Appropriated from:		
19	Special revenue funds:		
20	Cleanup and redevelopment fund.....		30,000,000
21	Environmental response fund.....		10,000,000
22	State general fund/general purpose.....	\$	0
23	(3) GRANTS		
24	Senior citizen cooperative housing tax exemption		
25	program.....	\$	1,849,400
26	Qualified agricultural loan payments.....		<u>6,000,000</u>

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September 30, 2003

1 GROSS APPROPRIATION..... \$ 7,849,400

2 Appropriated from:

3 Special revenue funds:

4 State general fund/general purpose..... \$ 7,849,400

5

6

7 PART 2

8 PROVISIONS CONCERNING APPROPRIATIONS

9 FOR FISCAL YEAR 2001-2002

10 **GENERAL SECTIONS**

11 Sec. 201. In accordance with the provisions of section 30 of arti-
12 cle IX of the state constitution of 1963, total state spending under part
13 1 for the fiscal year ending September 30, 2002 is \$11,012,200.00 and
14 state appropriations paid to units of local government are \$800,000.00.

15 **COMMUNITY HEALTH**

16 Wayne County medical program..... \$ 800,000

17 Total..... \$ 800,000

18 Sec. 202. The appropriations made and expenditures authorized under
19 this part and the departments, commissions, boards, offices, and programs
20 for which appropriations are made under this act are subject to the man-
21 agement and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

22 **CAPITAL OUTLAY**

23 Sec. 251. (1) From federal-state-local project appropriations in
24 fiscal year 2001-2002 for the purpose of assisting political entities and
25 subdivisions of this state in the construction and improvement of

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1 publicly used airports and landing fields within this state, the
2 department of transportation may permit the award of contracts on behalf
3 of units of local government for the authorized locations not to exceed
4 the indicated amounts, of which the state allocated portion shall not
5 exceed the amount appropriated in fiscal year 2001-2002.

6 (2) Political entities and subdivisions shall provide not less than
7 5% of the cost of any project under this section. State money shall not
8 be allocated until local money is allocated, and except as provided in
9 subsection (4), state money for any 1 project shall not exceed 1/3 of the
10 total appropriation from state funds for airport improvement programs.

11 (3) The Michigan aeronautics commission may take those steps neces-
12 sary to match federal money available for airport construction and
13 improvement within this state and to meet the matching requirements of
14 the federal government. Whether acting alone or jointly with another
15 political subdivision or public agency or with this state, a political
16 subdivision or public agency of this state shall not submit to any agency
17 of the federal government a project application for airport planning or
18 development unless it is authorized in this act and the project applica-
19 tion is approved by the governing body of each political subdivision or
20 public agency making the application, and by the Michigan aeronautics
21 commission.

22 (4) The department of transportation shall notify the state budget
23 director if additional federal aeronautics funds are anticipated beyond
24 those appropriated in fiscal year 2001-2002. In the event that addi-
25 tional federal funds are available, the state budget director shall rec-
26 ommend to the legislature an appropriation of state and local funds
27 necessary to meet any federal matching requirements.

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1 (5) From appropriations in fiscal year 2001-2002 for airport
2 improvement programs, \$20,000,000.00 of comprehensive transportation fund
3 and state general fund appropriations shall be used as state resources
4 for state-funded components of the comprehensive Northwest airlines mid-
5 field terminal project, and \$1,000,000.00 of the state general fund shall
6 be used for state-funded components of projects at Willow Run airport.
7 The allocation of comprehensive transportation fund and state general
8 fund money is subject to audit by the auditor general.

9 (6) From the appropriations for airport improvement programs, no
10 funds shall be allocated for any runway extensions, taxiway extensions,
11 or apron extensions at the Detroit-Willow Run airport. Further, it is
12 the intent of the legislature that no state funds shall be expended to
13 improve or repair the airport where the purpose of the improvement or
14 repair is to expand the usage of the airport including, but not limited
15 to, anything approximating a tradeport as that term was defined in former
16 1994 PA 325.

17 **CONSUMER AND INDUSTRY SERVICES**

18 Sec. 301. From the appropriations in section 107 of 2002 PA 530,
19 the state budget director is authorized to reallocate the federal reve-
20 nues and contingent fund, penalty and interest account negative appropri-
21 ation to the following bureau of worker's and unemployment compensation
22 line item appropriations consistent with contingent revenues actually
23 available in those line items:

24 (a) Unemployment programs.

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- 1 (b) Advocacy assistance program.
- 2 (c) Special audit and collections program.
- 3 (d) Training program for agency staff.
- 4 (e) Expanded fraud control program.

5 **DEPARTMENT OF TRANSPORTATION**

6 Sec. 501. The rail infrastructure loan program shall provide
7 noninterest-bearing loans for rail infrastructure improvements. The
8 department shall evaluate loan applications according to the relative
9 merit of the project in conjunction with program goals. The transporta-
10 tion commission shall approve the loans. The loans shall fund not less
11 than 90% of the rail portion of project costs, and the loan repayment
12 period shall not exceed 10 years. Local governments, railroads, and cur-
13 rent or potential users of freight railroad services are eligible
14 applicants. At the end of the fiscal year 2001-2002, \$3,200,000.00 from
15 the rail infrastructure loan program reserved fund balance shall revert
16 to the unreserved balance of the comprehensive transportation fund, and
17 any remaining unexpended funds shall remain in the rail infrastructure
18 loan program and shall be available to be allocated for the purposes of
19 the program in the succeeding fiscal year. Money that is received by
20 this state as repayment for rail infrastructure loans made pursuant to
21 this program shall remain within the rail infrastructure loan program and
22 shall be allocated for the purposes of the program. The state's total
23 contribution to the rail infrastructure loan program shall not exceed
24 \$15,000,000.00.

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1 Sec. 502. The department of transportation is authorized to receive
2 billings from the department of state and the department of treasury for
3 their documented costs in the collection of transportation related reve-
4 nues, and to make payment from the Michigan transportation fund up to an
5 amount not to exceed \$40,000,000.00 from the department of state, and not
6 to exceed \$8,000,000.00 from the department of treasury, based on allow-
7 able expenditures and subject to verification by the department of
8 transportation. The billings from the department of state shall be in
9 addition to the interdepartmental grant appropriations from the Michigan
10 transportation fund in 2001 PA 83.

11

12

13

PART 2A

14

PROVISIONS CONCERNING APPROPRIATIONS

15

FOR FISCAL YEAR 2002-2003

16

GENERAL SECTIONS

17

18

19

20

21

22

Sec. 1201. In accordance with the provisions of section 30 of arti-
cle IX of the state constitution of 1963, total state spending under part
1A for the fiscal year ending September 30, 2003 is \$71,532,134.00 and
state appropriations paid to units of local government are
\$20,989,082.00. The itemized statement below identifies appropriations
from which spending to units of local government will occur:

23

CAPITAL OUTLAY

24

Natural resources trust fund grant-in-aid acquisition

25

projects..... \$ 7,646,400

26

Acquire Houghmaster property, Alpena County (grant-in-aid to

27

Alpena Township) (#02-128)

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1	Addition to Dolph nature area, Washtenaw County (grant-in-aid		
2	to city of Ann Arbor) (#02-113)		
3	Berberian property acquisition, Oakland County (grant-in-aid		
4	to city of Southfield) (#02-148)		
5	Boardman nature education reserve expansion, Grand Traverse		
6	County (grant-in-aid to Garfield Township) (#02-220)		
7	Oakland Township Lost Lake park acquisition, Oakland County		
8	(grant-in-aid to Oakland Township) (#02-013)		
9	Resort bluffs, Emmet County (grant-in-aid to Emmet County)		
10	(#02-026)		
11	Riverside park acquisition, Osceola County (grant-in-aid to		
12	city of Ewart) (#02-028)		
13	Elk view acquisition, Otsego County (grant-in-aid to city of		
14	Gaylord) (#02-083)		
15	Mecosta Township park acquisition, Mecosta County		
16	(grant-in-aid to Mecosta Township) (#02-212)		
17	Township park expansion, Saginaw County (grant-in-aid to		
18	Kochville Township) (#02-019)		
19	Flat River trail acquisitions, Montcalm County (grant-in-aid		
20	to city of Greenville) (#02-133)		
21	Boating programs, harbors and docks, local facilities		<u>1,000,000</u>
22	Muskegon County, Muskegon, marina rehabilitation and upgrades		
23	Subtotal.....	\$	8,646,400
24	COMMUNITY COLLEGES		
	Community college operations.....	\$	1,595,982
25	Renaissance zone tax reimbursement funding.....		<u>561,200</u>
26	Subtotal.....	\$	2,157,182

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1 COMMUNITY HEALTH

2 MIFamily plan..... \$ 6,100,000

3 Subtotal..... \$ 6,100,000

4 HISTORY, ARTS, AND LIBRARIES

5 Renaissance zone reimbursement..... \$ 338,500

6 Subtotal..... \$ 338,500

7 NATURAL RESOURCES

8 Purchased lands taxes..... \$ 1,897,600

9 Subtotal..... \$ 1,897,600

10 TREASURY

11 Senior citizen cooperative housing tax exemption

12 program..... \$ 1,849,400

13 Subtotal..... \$ 1,849,400

14 TOTAL..... \$ 20,989,082

15 Sec. 1202. The appropriations made and expenditures authorized
16 under this part and the departments, commissions, boards, offices, and
17 programs for which appropriations are made under this act are subject to
18 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

19 **CAPITAL OUTLAY**

20 Sec. 1251. The construction authorization for Mackinac Island
21 marina expansion appropriated in 2002 PA 518 is hereby canceled. Any
22 remaining project balances shall revert to the fund from which originally
23 appropriated.

24 Sec. 1252. The department of natural resources shall require local
25 units of government to enter into agreements with the department for the

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1 purpose of administering the natural resources trust fund grants
2 identified in part 1a. Among other provisions, the agreements shall
3 require that grant recipients agree to dedicate to public outdoor recre-
4 ation uses in perpetuity the land acquired or developed; to replace lands
5 converted or lost to other than public outdoor recreation use; and for
6 parcels acquired that are over 5 or more acres in size, to provide the
7 state with a nonparticipating 1/6 minimum royalty interest in any
8 acquired minerals that are retained by the grant recipient. The agree-
9 ments shall also provide that the full payments of grants can be made
10 only after proof of acquisition, or completion of the development
11 project, is submitted by the grant recipient and all costs are verified
12 by the department of natural resources.

13 Sec. 1253. Any unobligated balance in any natural resources trust
14 fund appropriation made under part 1a shall not revert to the funds from
15 which appropriated at the close of the fiscal year, but shall continue
16 until the purpose for which it was appropriated is completed for a period
17 not to exceed 3 fiscal years. The unexpended balance of any natural
18 resources trust fund appropriation made in part 1a remaining after the
19 purpose for which it was appropriated is completed shall revert to the
20 Michigan natural resources trust fund and be made available for
21 appropriation.

22 Sec. 1254. The appropriation for planning projects authorized in
23 part 1a provides authorization to complete programming and schematic
24 planning documents. These projects will not receive construction autho-
25 rization unless there is sufficient bonding capacity available under the
26 state building authority's statutory bond capacity limit.

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1 Sec. 1255. The west Michigan center for manufacturing research
2 project at Kellogg Community College, authorized for planning in 2000
3 PA 291 has been separated into 2 distinct components. Legislative action
4 authorizing planning and construction for the first component, the career
5 development/science building renovations, was approved in 2002 PA 530.
6 The second component, the Roll building renovation, is hereby authorized
7 for planning.

COMMUNITY COLLEGES

 Sec. 1275. The appropriations in part 1A for the at-risk-student
success program shall be allocated as follows:

Alpena Community College	428
Bay de Noc Community College	466
Delta College	546
Glen Oaks Community College	693
Gogebic Community College	391
Grand Rapids Community College	445
Henry Ford Community College	819
Jackson Community College	566
Kalamazoo Valley Community College	580
Kellogg Community College	784
Kirtland Community College	847
Lake Michigan College	934
Lansing Community College	814
Macomb Community College	462
Mid Michigan Community College	695
Monroe County Community College	498
Montcalm Community College	347
C.S. Mott Community College	556
Muskegon Community College	1,050
North Central Michigan College	784
Northwestern Michigan College	645
Oakland Community College	787
St. Clair County Community College	443
Schoolcraft College	762
Southwestern Michigan College	904
Washtenaw Community College	852
Wayne County Community College	712
West Shore Community College	653

DEPARTMENT OF COMMUNITY HEALTH

9 Sec. 1303. Implementation and contracting for managed care by the
10 department of community health through HMOs are subject to the condition
11 that enrollment of recipients of children's special health care services
12 in HMOs shall be voluntary during fiscal year 2002-03.

13 Sec. 1307. From the funds appropriated from the federal maternal
14 and child health block grant, \$450,000.00 shall be allocated if addi-

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15 tional block grant funds are available for the statewide fetal infant

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16 mortality review network.

17 Sec. 1309. Prior to contracting with an HMO for managed care serv-
18 ices that did not have a contract with the department of community health
19 before October 1, 2002, the department of community health shall receive
20 assurances from the office of financial and insurance services that the
21 HMO meets the net worth and financial solvency requirements contained in
22 chapter 35 of the insurance code, 1956 PA 218, MCL 500.3501 to 500.3580.

23 Sec. 1310. The department of community health shall prohibit HMOs
24 from requiring prior authorization of their contracted providers for any

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1 EPSDT screening and diagnosis service, for any MSS/ISS screening
2 referral, or for up to 3 MSS/ISS service visits.

3 Sec. 1311. All nursing home rates, class I and class III, must have
4 their respective fiscal year rate set 30 days prior to the beginning of
5 their rate year. Rates may take into account the most recent cost report
6 prepared and certified by the preparer, provider corporate owner or rep-
7 resentative as being true and accurate, and filed timely, within 5 months
8 of the fiscal year end in accordance with Medicaid policy. If the
9 audited version of the last report is available, it shall be used. Any
10 rate factors based on the filed cost report may be retroactively adjusted
11 upon completion of the audit of that cost report.

12 Sec. 1312. The long-term care working group established in section
13 1657 of 1998 PA 336 shall continue to exist to review the allocation of
14 the long-term care innovations grant funding and to monitor the implemen-
15 tation of the demonstration projects being funded. The department of
16 community health shall not implement a long-term care plan until the
17 expiration of 24 days during which at least 1 house of the legislature
18 convenes after the long-term care working group has submitted the written
19 long-term care plan to the senate majority leader, the speaker of the
20 house, the senate and house appropriations subcommittees on community
21 health, and the state budget director.

22 Sec. 1314. The department shall allocate up to \$200,000.00 to the
23 Michigan association of centers for independent living for the accessing
24 community-based support project, if additional funds become available for
25 this purpose.

26 Sec. 1315. Any proposed changes by the department to the MIChoice
27 home and community based services waiver program screening process shall

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1 be provided to the members of the house and senate appropriations
2 subcommittees on community health at least 30 days prior to implementa-
3 tion of the proposed changes.

4 Sec. 1316. The department shall contract directly with the
5 Salvation Army harbor light program and Salvation Army turning point of
6 west Michigan to provide non-Medicaid substance
7 abuse services at not less than the amount contracted for in fiscal year
2001-2002.

Sec. 1317. Recipients of children's special health care services shall be exempt from the prior authorization requirements for prescription drugs in the department of community health's pharmaceutical best practice initiative.

Sec. 1318. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 U.S.C. 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to participants in the state medical program and EPIC.

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

Sec. 1319. (1) An applicant for Medicaid, whose qualifying condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise. The applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

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

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

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

(5) This section shall apply to Medicaid managed care.

Sec. 1320. In establishing the total number of acute care beds for any hospital licensed in Michigan, the department shall include in that count all hospital beds that are used for ventilator care due to a contract between the department and a hospital for providing ventilator care services.

Sec. 1321. (1) A first class school district that:

(a) May be eligible to receive payments for administrative services

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related to Medicaid school-based health service pursuant to section 1692 of 2002 PA 519, and;

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(b) Is required to have a portion of those payments placed in escrow, incidental to the settlement agreement in Michigan Department of Community Health v. Centers for Medicare and Medicaid Services, departmental appeals board, United States department of health and human services, docket no. A-01-01 and A-02-01, and;

(c) Meets the conditions of subsection (2); shall be eligible to receive a disbursement from those escrowed funds in an amount not to exceed \$780,000.00.

(2) The department shall only make the disbursement specified in subsection (1) if the first class school district receiving the disbursement:

(a) Certifies that the disbursed funds shall only be used to reimburse vendors that provided Medicaid billing services on the first class school districts' behalf during the period 1998 to 2002, inclusive and;

(b) Agrees that the payments to the vendors described in subsection (2)(a) shall be made no later than December 31, 2002.

(3) The department shall inform the Chairpersons of the Senate and House Appropriations Committees as soon as these transactions occur.

Sec. 1322. (1) It is the intent of the legislature that HMOs shall have contracts with hospitals within a reasonable distance from their enrollees. If a hospital does not contract with the HMO, in its service area, that hospital shall enter into a hospital access agreement as specified in the MSA bulletin Hospital 01-19.

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

Sec. 1323. (1) The department shall maintain the 2-tier reimbursement methodology for Medicaid emergency physicians professional services that was in effect on September 30, 2002, subject to the following conditions:

(a) Payments by case and in the aggregate shall not exceed 80 percent of Medicare payment rates.

(b) Total expenditures for these services shall not exceed the level of total payments made during FY 2001-02, after adjusting for Medicare copayments and deductibles and for changes in utilization.

(2) To ensure that total expenditures stay within the spending constraints of subsection (1)(b) the department shall develop a utilization adjustor for the basic 2-tier payment methodology. The adjustor shall be based on a good faith estimate by the department as to what the expected utilization of emergency room services will be during FY 2002-03, given changes in the number and category of Medicaid recipients. If expenditure and utilization data indicate that the amount and/or type of emergency physician professional services are exceeding the department's estimate, the utilization adjustor shall be applied to the 2-tier reimbursement methodology in such a manner as to reduce aggregate expenditures to the FY 01-02 adjusted expenditure target.

(3) If federal law, regulation or judicial ruling finds that this 2-tier reimbursement methodology is not Health Insurance Portability and Accountability Act (HIPAA) complaint prior to the end of FY 2002-03, the department shall immediately provide the chairpersons of the Senate and House Appropriations Subcommittee on Community Health and their respective fiscal agencies, with the proposed modifications necessary to bring this methodology into compliance.

(4) The proposal specified in subsection (3) should be as consistent as possible with the intent of the methodology specified in this section and must be provided to the subcommittee chairpersons and respective fiscal agencies, no less than 30 days before the effective date of the proposal.

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FAMILY INDEPENDENCE AGENCY

Sec. 1401. From the funds appropriated in part 1 of 2002 PA 529, no funds shall be expended for leased space at the Wayne-Highland Park Pitkin district office located at 245 Pitkin Street in the city of Highland Park and the Wayne-Warren/Conner district office located at 4733 Conner in the city of Detroit after March 30, 2003.

8 DEPARTMENT OF MANAGEMENT AND BUDGET

9 Sec. 1450. (1) From the funds appropriated in section 103(3) of
10 2000 PA 291 to the department of management and budget, building demoli-
11 tions, \$2,400,000.00 is reappropriated as a grant to the city of
12 Detroit.

13 (2) The funds can only be expended on costs for demolishing tax
14 reverted properties within the city of Detroit.

15 (3) Not more than \$5,000.00 may be expended on any 1 demolition
16 project.

17 DEPARTMENT OF NATURAL RESOURCES

18 Sec. 1601. Before September 30, 2003, there shall be appropriated
19 \$560,000.00 from the snowmobile registration fund and \$1,340,000.00 from
20 the off-road vehicle trail improvement fund to the game and fish protec-
21 tion fund, in accordance with the draft advisory report dated October 11,
22 2002 from the United States department of interior. The \$1,900,000.00

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1 appropriated to the game and fish protection fund is not available for
2 expenditure until appropriated by the legislature.

3 Sec. 1602. (1) For the fiscal year ending September 30, 2003, there
4 shall be appropriated \$7,800,000.00 from the Michigan state waterways
5 fund to the state general fund/general purpose.

6 (2) The department of natural resources may transfer any unspent
7 balances from the harbor development fund to the Michigan state waterways
8 fund, which may be needed to meet the condition of subsection (1) for the
9 fiscal year ending September 30, 2003.

(3) It is the intent of the legislature that in the future the
general fund reimburse the state waterways fund.

[DEPARTMENT OF STATE POLICE]

Sec. 1651. It is the intent of the legislature that up to 10% of
federal funds received by the state of Michigan for homeland security
equipment upgrade grants to local units be allocated for construction of
an upgraded Detroit crime lab.]

10 **DEPARTMENT OF TREASURY**

11 Sec. 1801. For the fiscal year ending September 30, 2003, there is
12 appropriated from the Michigan merit award trust fund to the general fund
13 the amount of \$50,000,000.00.

[MISCELLANEOUS]

Sec. 1850. The appropriations in sections 153(3), 157(3) through
(20), and 1275 and the appropriation for at-risk student success program
in section 153(2) are not appropriated and shall not be expended unless,
pursuant to state statute enacted into law by January 15, 2003 and
effective prior to January 1, 2004, the election of the members of the
board of trustees for Michigan State University, the board of regents for
the University of Michigan, and the board of governors for Wayne State
University shall be by the electors from districts that are numbered and
constituted the same as the 4 judicial districts for the election of
judges of the court of appeals set forth in section 302 of the revised
judicature act of 1961, 1961 PA 236, MCL 600.302.]

14 **REPEALERS**

15 Sec. 1901. Section 1101 of 2001 PA 45 is repealed.

16 Sec. 1902. Section 705 of 2001 PA 59 is repealed.
Sec. 1903. Section 1627 of 2002 PA 519 is repealed.
Sec. 1904. Section 1607 of 2002 PA 519 is repealed.

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Final page.

JLB