Act No. 746
Public Acts of 2002
Approved by the Governor*
December 30, 2002
Filed with the Secretary of State
December 30, 2002

EFFECTIVE DATE: December 30, 2002

*Item Vetoes

Sec. 152.

(2) STATE AGENCY, COMMUNITY COLLEGE, AND UNIVERSITY PLANNING PROJECTS

Alpena Community College – instructional addition/renovation project, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Bay de Noc Community College – Dickinson County facility, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Delta College – allied health and nursing "F" wing renovations, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Grand Rapids Community College – campus renovations, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Jackson Community College – new downtown center renovation project, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Kalamazoo Valley Community College – center for new media, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Kellogg Community College – Roll building renovations, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Lansing Community College – master plan phase I – technology facility, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Muskegon Community College – library/technology center project, for program and planning to be paid for from college revenues	$ 100	(Page 4)
North Central Michigan College – university and science center, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Schoolcraft College – technical service facility, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Southwestern Michigan College – M-Tech center expansion/ Wood building renovation, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Washtenaw Community College – renovations and science laboratory upgrade, for program and planning to be paid for from college revenues	$ 100	(Page 4)
West Shore Community College – media center building, for program and planning to be paid for from college revenues	$ 100	(Page 4)
Central Michigan University – education building, for program and planning to be paid for from university revenues	$ 100	(Page 5)
Eastern Michigan University – Pray-Harrold classroom building modernization project, for program and planning to be paid for from university revenues	$ 100	(Page 5)
Grand Valley State University – library addition and remodeling, for program and planning to be paid for from university revenues	$ 100	(Page 5)
University of Michigan – school of public health, for program and planning to be paid for from university revenues	$ 100	(Page 5)
Ferris State University – optometry building, for program and planning to be paid for from university revenues	$ 100	(Page 5)
Western Michigan University – Sangren hall/education building, for program and planning to be paid for from university revenues	$ 100	(Page 5)

Sec. 157.
(2) MICHIGAN STATE UNIVERSITY

Animal health diagnostic lab	$ 700,000	(Page 9)
Agriculture experiment station	$ 1,750,000	(Page 9)
Michigan State University extension	$ 1,500,000	(Page 9)

Sec. 161.
(2) PAYMENTS IN LIEU OF TAXES

Purchased lands taxes	$ 1,897,600	(Page 13)

Sec. 1307.
Entire Section. (Page 18)

Sec. 1314.
Entire Section. (Page 18)

Sec. 1450.
Entire Section. (Page 20)

STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002

Introduced by Rep. Shulman

ENROLLED HOUSE BILL No. 5705

AN ACT 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:

PART 1

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2001-2002

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2002, from the following funds:

APPROPRIATION SUMMARY:		
GROSS APPROPRIATION	$	19,212,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	19,212,200
Federal revenues:		
Total federal revenues		9,000,000
Special revenue funds:		
Total local revenues		(800,000)
Total private revenues		0
Total other state restricted revenues		19,481,400
State general fund/general purpose	$	(8,469,200)

Sec. 102. CAPITAL OUTLAY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	0
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	0

(354)

		For Fiscal Year Ending Sept. 30, 2002
Total federal revenues	$	0
Total local revenues		0
Total private revenues		0
Total state restricted revenues		9,600,000
State general fund/general purpose	$	(9,600,000)
(2) DEPARTMENT OF TRANSPORTATION		
AERONAUTICS FUND: AIRPORT PROGRAMS		
Airport safety and protection plan	$	0
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	$	(1,655,200)
GROSS APPROPRIATION	$	(1,655,200)
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		(1,655,200)
State general fund/general purpose	$	0

Sec. 104. DEPARTMENT OF COMMUNITY HEALTH		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	0
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	0
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		(800,000)
Total private revenues		0
Total other state restricted revenues		800,000
State general fund/general purpose	$	0
(2) MEDICAL SERVICES		
Wayne County medical program	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Total local revenues		(800,000)
Total other state restricted revenues		800,000
State general fund/general purpose	$	0

Sec. 105. DEPARTMENT OF EDUCATION		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	1,130,800

		For Fiscal Year Ending Sept. 30, 2002
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	$	0
ADJUSTED GROSS APPROPRIATION	$	1,130,800
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	1,130,800
(2) GRANTS AND DISTRIBUTIONS		
STATE PROGRAMS:		
School breakfast programs	$	1,130,800
GROSS APPROPRIATION	$	1,130,800
Appropriated from:		
State general fund/general purpose	$	1,130,800

Sec. 106. FAMILY INDEPENDENCE AGENCY

(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	9,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	9,000,000
Federal revenues:		
Total federal revenues		9,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) PUBLIC ASSISTANCE		
Homestead property tax credit for low-income families	$	9,000,000
GROSS APPROPRIATION	$	9,000,000
Appropriated from:		
Federal revenues:		
Total federal revenues		9,000,000
Special revenue funds:		
State general fund/general purpose	$	0

Sec. 107. HIGHER EDUCATION

(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	10,736,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	10,736,600
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		10,736,600
State general fund/general purpose	$	0
(2) GRANTS AND FINANCIAL AID		
Tuition grants	$	1,655,200
Michigan merit award program		9,081,400
GROSS APPROPRIATION	$	10,736,600
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		10,736,600
State general fund/general purpose	$	0

PART 1A

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2002-2003

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

APPROPRIATION SUMMARY:		
GROSS APPROPRIATION	$	117,767,235
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	117,767,235
Federal revenues:		
Total federal revenues		52,335,100
Special revenue funds:		
Total local revenues		(6,100,000)
Total private revenues		0
Total other state restricted revenues		111,498,834
State general fund/general purpose	$	(39,966,699)

Sec. 152. CAPITAL OUTLAY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	47,605,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	47,605,400
Total federal revenues		22,350,000
Total local revenues		0
Total private revenues		0
Total state restricted revenues		25,253,400
State general fund/general purpose	$	2,000

(2) STATE AGENCY, COMMUNITY COLLEGE, AND UNIVERSITY PLANNING PROJECTS

Alpena Community College - instructional addition/renovation project, for program and planning to be paid for from college revenues	$	100
Bay de Noc Community College - Dickinson County facility, for program and planning to be paid for from college revenues		100
Delta College - allied health and nursing "F" wing renovations, for program and planning to be paid for from college revenues		100
Grand Rapids Community College - campus renovations, for program and planning to be paid for from college revenues		100
Jackson Community College - new downtown center renovation project, for program and planning to be paid for from college revenues		100
Kalamazoo Valley Community College - center for new media, for program and planning to be paid for from college revenues		100
Kellogg Community College - Roll building renovations, for program and planning to be paid for from college revenues		100
Lansing Community College - master plan phase I - technology facility, for program and planning to be paid for from college revenues		100
Muskegon Community College - library/technology center project, for program and planning to be paid for from college revenues		100
North Central Michigan College - university and science center, for program and planning to be paid for from college revenues		100
Schoolcraft College - technical service facility, for program and planning to be paid for from college revenues		100
Southwestern Michigan College - M-Tech center expansion/Wood building renovation, for program and planning to be paid for from college revenues		100
Washtenaw Community College - renovations and science laboratory upgrade, for program and planning to be paid for from college revenues		100
West Shore Community College - media center building, for program and planning to be paid for from college revenues		100

		For Fiscal Year Ending Sept. 30, 2003
Central Michigan University - education building, for program and planning to be paid for from university revenues	$	100
Eastern Michigan University - Pray-Harrold classroom building modernization project, for program and planning to be paid for from university revenues		100
Grand Valley State University - library addition and remodeling - for program and planning to be paid for from university revenues		100
University of Michigan - school of public health, for program and planning to be paid for from university revenues		100
Ferris State University - optometry building, for program and planning to be paid for from university revenues		100
Western Michigan University - Sangren hall/education building, for program and planning to be paid for from university revenues		100
GROSS APPROPRIATION	$	2,000
Appropriated from:		
State general fund/general purpose	$	2,000
(3) DEPARTMENT OF MILITARY AFFAIRS		
Lump sum projects:		
For department of military affairs remodeling and additions and special maintenance projects	$	4,100,000
Lansing readiness center, for design and construction (total authorized cost $19,000,000; federal share $18,250,000; state armory construction fund share $750,000)		19,000,000
GROSS APPROPRIATION	$	23,100,000
Appropriated from:		
Federal revenues:		
DOD, department of the army, national guard bureau	$	22,350,000
Armory construction fund		750,000
State general fund/general purpose	$	0
(4) DEPARTMENT OF NATURAL RESOURCES		
(a) STATE PARKS		
State park infrastructure improvements	$	5,200,000
GROSS APPROPRIATION	$	5,200,000
Appropriated from:		
Special revenue funds:		
State park endowment fund		5,200,000
State general fund/general purpose	$	0
(b) WATERWAYS BOATING PROGRAM		
Boating program, state boating access sites:		
Monroe County, Monroe, Bolles boating access site improvements (total project cost $475,000, state share $475,000)	$	475,000
Boating program, harbors and docks, state facilities:		
Mackinac Island, marina expansion (total project cost $11,025,000, state share $11,025,000)		(9,025,000)
Monroe County, Monroe, Bolles harbor, marina expansion and improvements (total project cost $3,750,000, state share $3,750,000)		3,750,000
Boating program, harbors and docks, local facilities:		
Muskegon County, Muskegon, marina rehabilitation and upgrades (total project cost $2,000,000, state share $1,000,000)		1,000,000
GROSS APPROPRIATION	$	(3,800,000)
Appropriated from:		
Special revenue funds:		
Michigan state waterways fund		(3,800,000)
State general fund/general purpose	$	0
(5) MICHIGAN NATURAL RESOURCES TRUST FUND		
Natural resources trust fund projects	$	23,103,400

Michigan natural resources trust fund acquisition projects (by priority):

1. Tip of the Keweenaw acquisition - phase II, Keweenaw County (#02-187)
2. Acquire Houghmaster property, Alpena County (grant-in-aid to Alpena Township) (#02-128)
3. Acquisition of deeryards, Menominee and Dickinson counties (#02-201)
4. Addition to Dolph nature area, Washtenaw County (grant-in-aid to city of Ann Arbor) (#02-113)

For Fiscal Year Ending Sept. 30, 2003

5. Berberian property acquisition, Oakland County (grant-in-aid to city of Southfield) (#02-148)
6. Dowagiac River access acquisition, Cass County (#02-178)
7. Boardman nature education reserve expansion, Grand Traverse County (grant-in-aid to Garfield Township) (#02-220)
8. Oakland Township Lost Lake park acquisition, Oakland County (grant-in-aid to Oakland Township) (#02-013)
9. Resort bluffs, Emmet County (grant-in-aid to Emmet County) (#02-026)
10. Kamehameha trust land acquisition - phase I, Chippewa, Luce, Schoolcraft, Alger, Marquette, Baraga, Houghton, Ontonagon, and Gogebic counties (#02-219)
11. Denison tract acquisition - phase I, Allegan County (#02-218)
12. Acquisition on Mackinac Island, Mackinac County (grant-in-aid to Mackinac Island park commission) (#02-204)
13. Riverside park acquisition, Osceola County (grant-in-aid to city of Evart) (#02-028)
14. Elk view acquisition, Otsego County (grant-in-aid to city of Gaylord) (#02-083)
15. Mecosta Township park acquisition, Mecosta County (grant-in-aid to Mecosta Township) (#02-212)
16. Township park expansion, Saginaw County (grant-in-aid to Kochville Township) (#02-019)
17. Flat River trail acquisitions, Montcalm County (grant-in-aid to city of Greenville) (#02-133)

GROSS APPROPRIATION	$	23,103,400
Appropriated from:		
Special revenue funds:		
Michigan natural resources trust fund		23,103,400
State general fund/general purpose	$	0

Sec. 153. COMMUNITY COLLEGES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	2,157,183
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	2,157,183
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total state restricted revenues		1,595,982
State general fund/general purpose	$	561,201

(2) GRANTS

Renaissance zone tax reimbursement funding	$	561,200
At-risk student success program		18,461
GROSS APPROPRIATION	$	579,661
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund	$	18,461
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

		For Fiscal Year Ending Sept. 30, 2003
Mid Michigan Community College	$	22,932
Monroe County Community College		22,311
Montcalm Community College		16,138
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		11,912
GROSS APPROPRIATION	$	1,577,522
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		1,577,521
State general fund/general purpose	$	1
Sec. 154. DEPARTMENT OF COMMUNITY HEALTH		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	2,985,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	2,985,100
Federal revenues:		
Total federal revenues		2,985,100
Special revenue funds:		
Total local revenues		(6,100,000)
Total private revenues		0
Total other state restricted revenues		30,100,000
State general fund/general purpose	$	(24,000,000)
(2) COMMUNITY LIVING, CHILDREN, AND FAMILIES		
Local MCH services	$	2,985,100
GROSS APPROPRIATION	$	2,985,100
Appropriated from:		
Federal revenues:		
Total federal revenues		2,985,100
Special revenue funds:		
State general fund/general purpose	$	0
(3) MEDICAL SERVICES		
State and local medical programs	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Total local revenues		(6,100,000)
Total other state restricted revenues		30,100,000
State general fund/general purpose	$	(24,000,000)
Sec. 155. DEPARTMENT OF EDUCATION		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	1,500,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	1,500,000
Federal revenues:		
Total federal revenues		0

		For Fiscal Year Ending Sept. 30, 2003
Special revenue funds:		
Total local revenues	$	0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	1,500,000
(2) GRANTS AND DISTRIBUTIONS		
STATE PROGRAMS:		
School breakfast programs	$	1,500,000
GROSS APPROPRIATION	$	1,500,000
Appropriated from:		
State general fund/general purpose	$	1,500,000
Sec. 156. DEPARTMENT OF ENVIRONMENTAL QUALITY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	1,900,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	1,900,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		1,900,000
State general fund/general purpose	$	0
(2) EXECUTIVE		
Office of the Great Lakes	$	400,000
GROSS APPROPRIATION	$	400,000
Appropriated from:		
Special revenue funds:		
Great Lakes protection fund		400,000
State general fund/general purpose	$	0
(3) ENVIRONMENTAL ASSISTANCE DIVISION		
Retired engineers technical assistance program	$	1,500,000
GROSS APPROPRIATION	$	1,500,000
Appropriated from:		
Special revenue funds:		
Retired engineers technical assistance fund		1,500,000
State general fund/general purpose	$	0
Sec. 156a. FAMILY INDEPENDENCE AGENCY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	0
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	0
Federal revenues:		
Total federal revenues		27,000,000
Special revenue funds:		
Total private revenues		0
Total local revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(27,000,000)
(2) CHILD AND FAMILY SERVICES		
Foster care payments	$	0
Wayne County foster care payments		0
GROSS APPROPRIATION	$	0

		For Fiscal Year Ending Sept. 30, 2003
Appropriated from:		
Federal revenues:		
Total federal revenues	$	7,000,000
State general fund/general purpose	$	(7,000,000)
(3) JUVENILE JUSTICE SERVICES		
Child care fund	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Federal revenues:		
Total federal revenues		20,000,000
State general fund/general purpose	$	(20,000,000)
Sec. 157. HIGHER EDUCATION		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	13,010,952
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	13,010,952
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		9,060,952
State general fund/general purpose	$	3,950,000
(2) MICHIGAN STATE UNIVERSITY		
Animal health diagnostic lab	$	700,000
Agriculture experiment station		1,750,000
Michigan State University extension		1,500,000
GROSS APPROPRIATION	$	3,950,000
Appropriated from:		
State general fund/general purpose	$	3,950,000
(3) CENTRAL MICHIGAN UNIVERSITY		
Operations	$	450,019
GROSS APPROPRIATION	$	450,019
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		450,019
State general fund/general purpose	$	0
(4) EASTERN MICHIGAN UNIVERSITY		
Operations	$	438,186
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	$	277,602
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	$	300,477
GROSS APPROPRIATION	$	300,477
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		300,477
State general fund/general purpose	$	0

		For Fiscal Year Ending Sept. 30, 2003
(7) LAKE SUPERIOR STATE UNIVERSITY		
Operations	$	71,344
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	$	1,629,912
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	$	276,208
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	$	260,065
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	$	261,924
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		
Operations	$	136,967
GROSS APPROPRIATION	$	136,967
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	$	1,817,814
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	$	139,967
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	$	120,341
GROSS APPROPRIATION	$	120,341

		For Fiscal Year Ending Sept. 30, 2003
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund	$	120,341
State general fund/general purpose	$	0
(16) WAYNE STATE UNIVERSITY		
Operations	$	1,268,224
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	$	628,386
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		1,250
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		826
GROSS APPROPRIATION	$	14,953
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		14,953
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		11,402
GROSS APPROPRIATION	$	622,629
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		622,629
State general fund/general purpose	$	0

Sec. 158. DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	338,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	338,500

		For Fiscal Year Ending Sept. 30, 2003
Federal revenues:		
Total federal revenues	$	0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	338,500
(2) LIBRARY OF MICHIGAN		
Renaissance zone reimbursement	$	338,500
GROSS APPROPRIATION	$	338,500
Appropriated from:		
State general fund/general purpose	$	338,500

Sec. 158a. JUDICIARY

(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	(2,278,300)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(2,278,300)
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(2,278,300)
(2) EARLY RETIREMENT AND BUDGETARY SAVINGS		
Budgetary savings	$	(2,278,300)
GROSS APPROPRIATION	$	(2,278,300)
Appropriated from:		
State general fund/general purpose	$	(2,278,300)

Sec. 158b. LEGISLATURE

(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	(1,075,500)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(1,075,500)
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(1,075,500)
(2) LEGISLATURE		
Budgetary savings	$	(2,575,500)
House of representatives		1,500,000
GROSS APPROPRIATION	$	(1,075,500)
Appropriated from:		
State general fund/general purpose	$	(1,075,500)

Sec. 159. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	186,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	186,000

	For Fiscal Year Ending Sept. 30, 2003
Federal revenues:	
Total federal revenues	$ 0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	$ 186,000
(2) HEADQUARTERS AND ARMORIES	
Civil air patrol	$ 186,000
GROSS APPROPRIATION	$ 186,000
Appropriated from:	
State general fund/general purpose	$ 186,000

Sec. 161. DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	$ 1,897,600
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	$ 1,897,600
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	1,897,600
State general fund/general purpose	$ 0
(2) PAYMENTS IN LIEU OF TAXES	
Purchased lands taxes	$ 1,897,600
GROSS APPROPRIATION	$ 1,897,600
Appropriated from:	
Special revenue funds:	
Environmental protection fund	1,897,600
State general fund/general purpose	$ 0

Sec. 162. DEPARTMENT OF TRANSPORTATION

(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	$ 1,690,900
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	$ 1,690,900
Total federal revenues	0
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	1,690,900
State general fund/general purpose	$ 0
(2) EXECUTIVE DIRECTION	
Asset management council	$ 1,690,900
GROSS APPROPRIATION	$ 1,690,900
Appropriated from:	
Special revenue funds:	
Michigan transportation fund	1,690,900
State general fund/general purpose	$ 0

Sec. 163. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	$ 47,849,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	$ 47,849,400

		For Fiscal Year Ending Sept. 30, 2003
Federal revenues:		
Total federal revenues	$	0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		40,000,000
State general fund/general purpose	$	7,849,400
(2) DEBT SERVICE		
Quality of life bond	$	40,000,000
GROSS APPROPRIATION	$	40,000,000
Appropriated from:		
Special revenue funds:		
Cleanup and redevelopment fund		30,000,000
Environmental response fund		10,000,000
State general fund/general purpose	$	0
(3) GRANTS		
Senior citizen cooperative housing tax exemption program	$	1,849,400
Qualified agricultural loan payments		6,000,000
GROSS APPROPRIATION	$	7,849,400
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	7,849,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2001-2002

GENERAL SECTIONS

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

COMMUNITY HEALTH		
Wayne County medical program	$	800,000
Total	$	800,000

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

CAPITAL OUTLAY

Sec. 251. (1) From federal-state-local project appropriations in fiscal year 2001-2002 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the department of transportation may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in fiscal year 2001-2002.

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

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this act and the project application is approved by the governing body of each political subdivision or public agency making the application, and by the Michigan aeronautics commission.

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

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

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

CONSUMER AND INDUSTRY SERVICES

Sec. 301. From the appropriations in section 107 of 2002 PA 530, the state budget director is authorized to reallocate the federal revenues and contingent fund, penalty and interest account negative appropriation to the following bureau of worker's and unemployment compensation line item appropriations consistent with contingent revenues actually available in those line items:

(a) Unemployment programs.

(b) Advocacy assistance program.

(c) Special audit and collections program.

(d) Training program for agency staff.

(e) Expanded fraud control program.

DEPARTMENT OF TRANSPORTATION

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

Sec. 502. The department of transportation is authorized to receive billings from the department of state and the department of treasury for their documented costs in the collection of transportation related revenues, and to make payment from the Michigan transportation fund up to an amount not to exceed $40,000,000.00 from the department of state, and not to exceed $8,000,000.00 from the department of treasury, based on allowable expenditures and subject to verification by the department of transportation. The billings from the department of state shall be in addition to the interdepartmental grant appropriations from the Michigan transportation fund in 2001 PA 83.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2002-2003

GENERAL SECTIONS

Sec. 1201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending under part 1A for the fiscal year ending September 30, 2003 is $71,532,135.00 and state appropriations paid to units of local government are $20,989,083.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

CAPITAL OUTLAY		
Natural resources trust fund grant-in-aid acquisition projects	$	7,646,400
Acquire Houghmaster property, Alpena County (grant-in-aid to Alpena Township) (#02-128)		
Addition to Dolph nature area, Washtenaw County (grant-in-aid to city of Ann Arbor) (#02-113)		
Berberian property acquisition, Oakland County (grant-in-aid to city of Southfield) (#02-148)		
Boardman nature education reserve expansion, Grand Traverse County (grant-in-aid to Garfield Township) (#02-220)		
Oakland Township Lost Lake park acquisition, Oakland County (grant-in-aid to Oakland Township) (#02-013)		
Resort bluffs, Emmet County (grant-in-aid to Emmet County) (#02-026)		
Riverside park acquisition, Osceola County (grant-in-aid to city of Evart) (#02-028)		
Elk view acquisition, Otsego County (grant-in-aid to city of Gaylord) (#02-083)		
Mecosta Township park acquisition, Mecosta County (grant-in-aid to Mecosta Township) (#02-212)		
Township park expansion, Saginaw County (grant-in-aid to Kochville Township) (#02-019)		
Flat River trail acquisitions, Montcalm County (grant-in-aid to city of Greenville) (#02-133)		
Boating programs, harbors and docks, local facilities: Muskegon County, Muskegon, marina rehabilitation and upgrades		1,000,000
Subtotal	$	8,646,400
COMMUNITY COLLEGES		
Community college operations	$	1,595,983
Renaissance zone tax reimbursement funding		561,200
Subtotal	$	2,157,183
COMMUNITY HEALTH		
MIFamily plan	$	6,100,000
Subtotal	$	6,100,000
HISTORY, ARTS, AND LIBRARIES		
Renaissance zone reimbursement	$	338,500
Subtotal	$	338,500
NATURAL RESOURCES		
Purchased lands taxes	$	1,897,600
Subtotal	$	1,897,600
TREASURY		
Senior citizen cooperative housing tax exemption program	$	1,849,400
Subtotal	$	1,849,400
TOTAL	$	20,989,083

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

CAPITAL OUTLAY

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

Sec. 1252. The department of natural resources shall require local units of government to enter into agreements with the department for the purpose of administering the natural resources trust fund grants identified in part 1A. Among other provisions, the agreements shall require that grant recipients agree to dedicate to public outdoor recreation uses in perpetuity the land acquired or developed; to replace lands converted or lost to other than public outdoor recreation use; and for parcels acquired that are over 5 or more acres in size, to provide the state with a nonparticipating 1/6 minimum royalty interest in any acquired minerals that are retained by the grant recipient. The agreements shall also provide that the full payments of grants can be made only after proof of acquisition, or completion of the development project, is submitted by the grant recipient and all costs are verified by the department of natural resources.

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

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

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

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

Sec. 1307. From the funds appropriated from the federal maternal and child health block grant, $450,000.00 shall be allocated if additional block grant funds are available for the statewide fetal infant mortality review network.

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

Sec. 1310. The department of community health shall prohibit HMOs from requiring prior authorization of their contracted providers for any EPSDT screening and diagnosis service, for any MSS/ISS screening referral, or for up to 3 MSS/ISS service visits.

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

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

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

Sec. 1315. Any proposed changes by the department to the MIChoice home and community-based services waiver program screening process shall be provided to the members of the house and senate appropriations subcommittees on community health at least 30 days prior to implementation of the proposed changes.

Sec. 1316. The department shall contract directly with the Salvation Army harbor light program and Salvation Army turning point of west Michigan to provide non-Medicaid substance 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 related to Medicaid school-based health service pursuant to section 1692 of 2002 PA 519, and;

(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 fiscal year 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 fiscal year 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 fiscal year 2001-02 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) compliant prior to the end of fiscal year 2002-03, the department shall immediately provide the chairpersons of the senate and house appropriations subcommittees 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.

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.

DEPARTMENT OF MANAGEMENT AND BUDGET

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

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

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

DEPARTMENT OF NATURAL RESOURCES

Sec. 1601. Before September 30, 2003, there shall be appropriated $560,000.00 from the snowmobile registration fund and $1,340,000.00 from the off-road vehicle trail improvement fund to the game and fish protection fund, in accordance with the draft advisory report dated October 11, 2002 from the United States department of interior. The $1,900,000.00 appropriated to the game and fish protection fund is not available for expenditure until appropriated by the legislature.

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

(2) The department of natural resources may transfer any unspent balances from the harbor development fund to the Michigan state waterways fund, which may be needed to meet the condition of subsection (1) for the 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.

DEPARTMENT OF TREASURY

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

REPEALERS

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

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.

This act is ordered to take immediate effect.

Gary L Randall

Clerk of the House of Representatives.

Carol Morey Viventi

Secretary of the Senate.

Approved

Governor.