

SENATE SUBSTITUTE FOR

HOUSE BILL NO. 5527

(As amended, September 22, 2004)

A bill to make, supplement, and adjust appropriations for various state departments and agencies and capital outlay for the fiscal years ending September 30, 2004 and September 30, 2005; 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 Sec. 101. There is appropriated for the various state
4 departments and agencies to supplement appropriations for the fiscal
5 years ending September 30, 2004 and September 30, 2005, from the
6 following funds:

7 APPROPRIATION SUMMARY:

8 GROSS APPROPRIATION..... \$ 19,950,000

9 Interdepartmental grant revenues:

10 Total interdepartmental grants and intradepartmental

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1	transfers.....		0
2	ADJUSTED GROSS APPROPRIATION.....	\$	19,950,000
3	Federal revenues:		
4	Total federal revenues.....		0
5	Special revenue funds:		
6	Total local revenues.....		0
7	Total private revenues.....		0
8	Total other state restricted revenues.....		36,700,000
9	State general fund/general purpose.....	\$	(16,750,000)
10	Sec. 102. CAPITAL OUTLAY		
11	(1) APPROPRIATION SUMMARY		
12	GROSS APPROPRIATION.....	\$	<<16,700,000>>
13	Total interdepartmental grants and intradepartmental		
14	transfers.....		0
15	ADJUSTED GROSS APPROPRIATION.....	\$	<<16,700,000>>
16	Total federal revenues.....		0
17	Total local revenues.....		0
18	Total private revenues.....		0
19	Total state restricted revenues.....		<<16,700,000>>
20	State general fund/general purpose.....	\$	0
21	(2) DEPARTMENT OF MANAGEMENT AND BUDGET		
22	Hawthorne center utility separation from former		
23	Northville psychiatric hospital.....	\$	3,000,000
24	Department of corrections major maintenance projects		10,950,000
25	State agency major maintenance projects.....		2,000,000
26	Purchase of Valley school building and property.....		<u>750,000</u>
27	GROSS APPROPRIATION.....	\$	16,700,000

1 Appropriated from:

2 Special revenue funds:

3 Escrow restructuring revenues..... 16,700,000

4 State general fund/general purpose..... \$ 0

5 **Sec. 103. DEPARTMENT OF NATURAL RESOURCES**

6 **(1) APPROPRIATION SUMMARY**

7 GROSS APPROPRIATION..... \$ 3,250,000

8 Total interdepartmental grants and intradepartmental
9 transfers..... 0

10 ADJUSTED GROSS APPROPRIATION..... \$ 3,250,000

11 Total federal revenues..... 0

12 Total local revenues..... 0

13 Total private revenues..... 0

14 Total state restricted revenues..... 0

15 State general fund/general purpose..... \$ 3,250,000

16 **(2) PAYMENTS IN LIEU OF TAXES**

17 Purchased lands..... \$ 3,250,000

18 GROSS APPROPRIATION..... \$ 3,250,000

19 Appropriated from:

20 Special revenue funds:

21 State general fund/general purpose..... \$ 3,250,000

22 **Sec. 104. DEPARTMENT OF STATE**

23 **(1) APPROPRIATION SUMMARY**

24 GROSS APPROPRIATION..... \$ 0

25 Total interdepartmental grants and intradepartmental
26 transfers..... 0

27 ADJUSTED GROSS APPROPRIATION..... \$ 0

1	Total federal revenues.....		0
2	Total local revenues.....		0
3	Total private revenues.....		0
4	Total state restricted revenues.....	(10,000,000)	
5	State general fund/general purpose.....	\$ 10,000,000	
6	(2) CUSTOMER DELIVERY SERVICES		
7	Branch operations.....	\$	<u>0</u>
8	GROSS APPROPRIATION.....	\$	0
9	Appropriated from:		
10	Special revenue funds:		
11	Transportation administration collection fund.....	(10,000,000)	
12	State general fund/general purpose.....	\$ 10,000,000	
13	Sec. 105. DEPARTMENT OF TREASURY		
14	(1) APPROPRIATION SUMMARY		
15	GROSS APPROPRIATION.....	\$	0
16	Total interdepartmental grants and intradepartmental		
17	transfers.....		0
18	ADJUSTED GROSS APPROPRIATION.....	\$	0
19	Total federal revenues.....		0
20	Total local revenues.....		0
21	Total private revenues.....		0
22	Total state restricted revenues.....	30,000,000	
23	State general fund/general purpose.....	\$ (30,000,000)	
24	(2) DEBT SERVICE		
25	Quality of life bond.....	\$	<u>0</u>
26	GROSS APPROPRIATION.....	\$	0
27	Appropriated from:		

1 Special revenue funds:

2	Refined petroleum fund.....	30,000,000
3	State general fund/general purpose..... \$	(30,000,000)

<<PART 1A

LINE-ITEM APPROPRIATIONS

FISCAL YEAR 2004-2005

Sec.151. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2005, from the following funds:

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....\$ 6,614,600

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers 0

ADJUSTED GROSS APPROPRIATION.....\$ 6,614,600

Federal revenues:

Total federal revenues..... 5,842,400

Special revenue funds:

Total local revenues..... 0

Total private revenues..... 0

Total other state restricted revenues..... 772,200

State general fund/general purpose.....\$ 0

Sec. 152. FAMILY INDEPENDENCE AGENCY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....\$ 6,614,600

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers 0

ADJUSTED GROSS APPROPRIATION.....\$ 6,614,600

Federal revenues:

Total federal revenues..... 5,842,400

Special revenue funds:

Total local revenues..... 0

Total private revenues..... 0

Total other state restricted revenues..... 772,200

State general fund/general purpose.....\$ 0

(2) INFORMATION TECHNOLOGY

Information technology services and projects.....\$ 2,129,400

Child support automation.....\$ 3,263,200

Client services system.....\$ 549,800

Data system enhancement.....\$ 672,200

GROSS APPROPRIATION.....\$ 6,614,600

Appropriated from:

Federal revenues:

Total federal revenues..... 5,842,400

Special revenue funds:

Total other state restricted revenues..... 772,200

State general fund/general purpose.....\$ 0>>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending under part 1 for fiscal year 2003-2004 is \$19,950,000.00. State payments to local units of government under part 1 are \$3,250,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES

Purchased lands.....	\$	<u>3,250,000</u>
TOTAL.....	\$	3,250,000

Sec. 202. The appropriations made and the expenditures authorized under this part and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. For fiscal year 2004-2005 only, there is hereby transferred and appropriated from the Michigan merit award trust fund to the general fund an amount of \$5,250,000.00.

Sec. 204. For fiscal year 2004-2005 only, there is hereby transferred and appropriated from the Michigan tobacco settlement trust fund to the general fund an amount of \$1,750,000.00.

Sec. 205. Effective on October 1, 2004, a licensed hospital bed

1 that is under contract with this state for ventilator dependent care
2 shall be considered an acute care bed for purposes of the hospital
3 quality assessment program and shall be assessed and reimbursed under
4 the quality assessment program the same as an acute care bed
5 regardless of payment methodology. This policy change shall be
6 implemented after the department of community health secures the
7 necessary state plan amendment from the federal government.

<<Sec. 206. (1) If a community mental health services program, currently established as a community mental health agency under MCL 330.1204, is required by statute to become a community mental health authority by a specified date in order to be eligible to continue to contract with the department of community health as a specialty prepaid health plan, or to continue to receive state financial support as a community mental health services program, the department of community health shall monitor the progress of the community mental health services program to ensure that it is able to properly operate as a community mental health authority by the required specified date. In carrying out its monitoring activities, the department of community health may require such plans, reports, and other evidence from the community mental health services program that it deems necessary to properly monitor and evaluate the progress of the community mental health services program toward the establishment and operation of a community mental health authority. Such plans, reports, and evidence shall include, at the minimum, the following:

(a) A copy of the enabling resolution adopted by the board of commissioners creating the authority, addressing the required provisions set forth in MCL 330.1205, and duly filed with the secretary of state and the county clerk of the county establishing the authority.

(b) A detailed transition plan, describing how the community mental health services program proposes to carry out administrative, personnel, finance, accounting, management information, data reporting, regulatory compliance, quality assurance, recipient rights, clinical services, and any other managerial tasks or activities necessary for the successful operation of a community mental health authority.

(2) If the department of community health determines that, in its judgment, the community mental health services program is not making sufficient progress to ensure a functioning community mental health authority by the date specified in statute, the department of community health may withhold such current year appropriated funds as it deems appropriate from the community mental health services program to assure that the department of community health has sufficient capacity to directly operate necessary programs and services within the county should the community mental health authority fail to become fully operational on the required specified date.

DEPARTMENT OF ATTORNEY GENERAL

Sec. 250. For fiscal year 2004-05 any unobligated antitrust enforcement revenue, securities fraud revenue, consumer protection or class action enforcement revenues, or attorney fees recovered by the department of attorney general, not to exceed \$250,000.00, may be carried forward and is available for appropriation to the department of attorney general in the succeeding fiscal year.

AGRICULTURE

Sec. 251. (1) Effective October 1, 2004, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

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

8 CAPITAL OUTLAY

9 Sec. 301. (1) From the funds appropriated in part 1, the
10 department is authorized to expend an amount not to exceed \$750,000.00
11 inclusive of amounts necessary for any appraisal fees, real estate
12 taxes, and other closing costs, if applicable, for the purchase of the
13 Valley school building and property located adjacent to the Michigan
14 schools for the deaf and blind, in the city of Flint, Genesee County,
15 Michigan, and more particularly described as follows:

16 Parcel A:

17 A parcel of land lying in Section 8 of Indian Reservation of 11
18 sections at near the Grand Traverse on Flint River, Genesee County,
19 Michigan, described as follows: Commencing at the Northwest Corner of
20 Record Plat of "Woodcroft No. 1", recorded in Liber 8, Pages 34, 35
21 and 36, of the Genesee County, Michigan records; thence along the

22 Center Line of Miller Road, so-called, as established by the Michigan
23 State Highway Department, N 58° 51' 00" E 1103.54 feet and on a curve
24 to the left, having a radius of 637.27 feet, with a chord bearing and
25 distance of N 39° 42' 00" E 418.10 feet AND N 20° 33' 00" E 244.83
26 feet AND on a curve to the right, having a radius of 637.27 feet, with
27 a chord bearing and distance of N 36° 04' 45" E 341.23 feet AND N 51°

1 36' 30" E 158.66 feet to a point on the Center Line of West Court
 2 Street, so-called, as established by the Michigan State Highway
 3 Department; thence, along the said Center Line of West Court Street, S
 4 89° 32' 30" E 837.65 feet AND N 58° 50' 00" E 50.34 feet; thence S 31°
 5 10' 00" E 60.00 feet to the place of beginning of this description;
 6 thence continuing S 31° 10' 00" E 234.17 feet; thence S 59° 08' 34" E
 7 70.27 feet; thence N 61° 41' 37" E 28.99 feet; thence S 44° 00' 10" E
 8 154.71 feet; thence S 22° 19' 40" W 78.32 feet; thence S 45° 59' 50" W
 9 301.63 feet; thence N 44° 00' 10" W 263.34 feet; thence N 00° 33' 18"
 10 E 225.08 feet; thence N 16° 21' 46" W 174.50 feet; thence S 89° 32'
 11 30" E 104.51 feet; thence N 58° 50' 00" E 67.33 feet to the place of
 12 the beginning, containing 3.60 net acres of land, more or less; and

13 Parcel B:

14 A parcel of land lying in Section 8 of Indian Reservation of 11
 15 sections at near the Grand Traverse on Flint River, Genesee County,
 16 Michigan, described as follows: Commencing at the Northeast Corner of
 17 record Plat of "Woodcroft No. 1", recorded in Liber 8, Pages 34, 35
 18 and 36, of the Genesee County, Michigan records; thence, along the
 19 Center Line of Miller Road, so-called, as established by the Michigan
 20 State Highway Department, N 58° 51' 00" E 1103.54 feet AND on a curve
 21 to the left, having a radius of 637.27 feet, with a chord bearing and
 22 distance of N 39° 42' 00" E 418.10 feet AND N 20° 33' 00" E 244.83
 23 feet AND on a curve to the right, having a radius of 637.27 feet, with
 24 a chord bearing and distance of N 36° 04' 45" E 341.23 feet AND N 51°
 25 36' 30" E 158.66 feet to a point on the Center Line of West Court
 26 Street, so-called, as established by the Michigan State Highway
 27 Department; thence S 89° 32' 30" E, along the said Center Line of West

1 Court Street, 201.43 feet; thence S 00° 27' 30" W 310.00 feet to the
 2 place of beginning of this description; thence S 30° 37' 24" E 182.05
 3 feet; thence S 38° 55' 37" E 66.55 feet; thence S 21° 25' 10" W 47.92
 4 feet; thence S 59° 22' 37" W 511.03 feet; thence N 30° 37' 24" W 5.79
 5 feet; thence on a curve to the left having a radius of 125.00 feet,
 6 with a chord bearing and distance of N 24° 25' 29" E 107.29 feet;
 7 thence N 00° 59' 23" W 65.14 feet; thence on a curve to the right,
 8 having a radius of 175.00 feet, with a chord bearing and distance of N
 9 12° 28' 39" E 81.51 feet; thence N 30° 37' 24" W 93.99 feet; thence N
 10 59° 22' 37" E 363.36 feet to the place of beginning, containing 2.64
 11 net acres of land, more or less.

12 (2) The description of the property in subsection (1) is approximate
 13 and for purposes of the purchase is subject to adjustment as the
 14 department or attorney general considers necessary by survey or other
 15 legal description.

16 (3) All documents regarding the acquisition of the property
 17 described in subsection (1) shall be approved by the attorney general.

18 Sec. 302. (1) This state is authorized to acquire title to
 19 property for the purpose of providing office space for state agencies
 20 by exercising the purchase option in state lease number 10533, and to
 21 transfer title to the state building authority, with the approval of
 22 the state administrative board, for an amount necessary to defease
 23 outstanding certificates of participation, in an aggregate cost not to
 24 exceed \$140,000,000.00. This state is also authorized to pay any
 25 ancillary costs including estimated real estate taxes.

26 (2) All documents regarding the acquisition of the property
 27 described in subsection (1) shall be approved by the attorney

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1 general.

2 (3) The acquisition by the state and subsequent conveyance to the
3 state building authority shall conform to the provisions of 1964 PA
4 183, MCL 830.411 to 830.425.

<<DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Sec. 351. For fiscal year 2004-05 there is appropriated to the public service commission, administration planning and regulation, an additional 8.0 FTE positions bringing the total number of authorized FTE positions to 154.0.

Enacting section 1. Section 205 of Enrolled House Bill No. 5509 of the 93rd Legislature is repealed.>>