HOUSE SUBSTITUTE FOR SENATE BILL NO. 334

(As amended August 19, 2009)

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2009; 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
5	fiscal year ending September 30, 2009, from the following funds:
6	APPROPRIATION SUMMARY
7	Full-time equated classified positions 198.0
8	GROSS APPROPRIATION\$ [450,922,000]

1	Senate Bill No. 334 (H-1) as amended August 19, 2009 Interdepartmental grant revenues:	
2	Total interdepartmental grants and intradepartmental	
3	transfers	0
4	ADJUSTED GROSS APPROPRIATION	\$ [450,922,000]
5	Federal revenues:	
6	Total federal revenues	232,561,900
7	Special revenue funds:	
8	Total local revenues	2,123,500
9	Total private revenues	0
10	Total other state restricted revenues	[(110,848,900)]
11	State general fund/general purpose	\$ 327,085,500
12	Sec. 102. DEPARTMENT OF CIVIL RIGHTS	
13	(1) APPROPRIATION SUMMARY	
14	GROSS APPROPRIATION	\$ 285,000
15	Interdepartmental grant revenues:	
16	Total interdepartmental grants and intradepartmental	
17	transfers	0
18	ADJUSTED GROSS APPROPRIATION	\$ 285,000
19	Federal revenues:	
20	Total federal revenues	0
21	Special revenue funds:	
22	Total local revenues	0
23	Total private revenues	0
24	Total other state restricted revenues	0
25	State general fund/general purpose	\$ 285,000
26	(2) CIVIL RIGHTS OPERATIONS	

1	Civil rights operations	\$_	285,000
2	GROSS APPROPRIATION	\$	285,000
3	Appropriated from:		
4	State general fund/general purpose	\$	285,000
5	Sec. 103. DEPARTMENT OF COMMUNITY HEALTH		
6	(1) APPROPRIATION SUMMARY		
7	GROSS APPROPRIATION	\$	394,228,200
8	Interdepartmental grant revenues:		
9	Total interdepartmental grants and intradepartmental		
10	transfers		0
11	ADJUSTED GROSS APPROPRIATION	\$	394,228,200
12	Federal revenues:		
13	Total federal revenues		196,383,100
14	Special revenue funds:		
15	Total local revenues		2,123,500
16	Total private revenues		0
17	Total other state restricted revenues		(122,122,100)
18	State general fund/general purpose	\$	317,843,700
19	(2) COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES		
20	PROGRAMS		
21	Medicaid mental health services	\$	34,113,400
22	Medicaid substance abuse services	_	2,448,700
23	GROSS APPROPRIATION	\$	36,562,100
24	Appropriated from:		
25	Federal revenues:		
26	Total federal revenues		21,855,400

1	Special revenue funds:	
2	Total other state restricted revenues	(49,094,900)
3	State general fund/general purpose	\$ 63,801,600
4	(3) CHILDREN'S SPECIAL HEALTH CARE SERVICES	
5	Medical care and treatment	\$ 14,983,200
6	GROSS APPROPRIATION	\$ 14,983,200
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues	7,461,600
10	State general fund/general purpose	\$ 7,521,600
11	(4) STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS	
12	WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND	
13	PRISON MENTAL HEALTH SERVICES	
14	Closed site, transition, and related costs	\$ 7,997,700
15	GROSS APPROPRIATION	\$ 7,997,700
16	Appropriated from:	
17	State general fund/general purpose	\$ 7,997,700
18	(5) MEDICAL SERVICES	
19	Hospital services and therapy	\$ 177,835,700
20	Physician services	89,794,100
21	Medicare premium payments	(14,917,600)
22	Home health services	248,500
23	Hospice services	(327,300)
24	Dental services	12,672,100
25	Ambulance services	(8,176,600)
26	Long-term care services	110,612,800
27	Medicaid home- and community-based services waiver	(2,326,200)

1	Adult home help services		(4,248,200)
2	Personal care services		(1,579,400)
3	Program of all-inclusive care for the elderly		(1,736,000)
4	Health plan services		(12,357,900)
5	MIChild program		7,741,900
6	Medicaid adults benefits waiver		1,658,200
7	Federal Medicare pharmaceutical program		4,541,500
8	Subtotal basic medical services program		359,435,600
9	School based services		(24,750,400)
10	Subtotal special medical services payments	_	(24,750,400)
11	GROSS APPROPRIATION	\$	334,685,200
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues		167,066,100
15	Special revenue funds:		
16	Total local revenues		2,123,500
17	Merit award trust fund		5,312,500
18	Total other state restricted revenues		(78,339,700)
19	State general fund/general purpose	\$	238,522,800
20	Sec. 104. DEPARTMENT OF CORRECTIONS		
21	(1) APPROPRIATION SUMMARY		
22	Full-time equated classified positions 198.0		
23	GROSS APPROPRIATION	\$	20,000,000
24	Interdepartmental grant revenues:		
25	Total interdepartmental grants and intradepartmental		
26	transfers		0

1	ADJUSTED GROSS APPROPRIATION	\$ 20,000,000
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	\$ 20,000,000
9	(2) PLANNING AND COMMUNITY SUPPORT	
10	Prisoner reintegration programs	\$ 11,158,700
11	Residential services	 902,600
12	GROSS APPROPRIATION	\$ 12,061,300
13	Appropriated from:	
14	State general fund/general purpose	\$ 12,061,300
15	(3) FIELD OPERATIONS ADMINISTRATION	
16	Full-time equated classified positions 198.0	
17	Field operations184.0 FTE positions	\$ 7,603,900
18	Electronic monitoring center14.0 FTE positions	 334,800
19	GROSS APPROPRIATION	\$ 7,938,700
20	Appropriated from:	
21	State general fund/general purpose	\$ 7,938,700
22	Sec. 105. DEPARTMENT OF HISTORY, ARTS, AND	
23	LIBRARIES	
24	(1) APPROPRIATION SUMMARY	
25	GROSS APPROPRIATION	\$ 643,800
26	Interdepartmental grant revenues:	

1	Total interdepartmental grants and intradepartmental	
2	transfers	0
3	ADJUSTED GROSS APPROPRIATION	\$ 643,800
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	0
10	State general fund/general purpose	\$ 643,800
11	(2) DEPARTMENT OPERATIONS	
12	Building occupancy charges and rent	\$ 525,400
13	Records center relocation expenses	 118,400
14	GROSS APPROPRIATION	\$ 643,800
15	Appropriated from:	
16	State general fund/general purpose	\$ 643,800
17	Sec. 106. DEPARTMENT OF HUMAN SERVICES	
18	(1) APPROPRIATION SUMMARY	
19	GROSS APPROPRIATION	\$ 26,491,800
20	Interdepartmental grant revenues:	
21	Total interdepartmental grants and intradepartmental	
22	transfers	0
23	ADJUSTED GROSS APPROPRIATION	\$ 26,491,800
24	Federal revenues:	
25	Total federal revenues	36,178,800

1	Total local revenues		0
2	Total private revenues		0
3	Total other state restricted revenues		0
4	State general fund/general purpose	\$	(9,687,000)
5	(2) PUBLIC ASSISTANCE		
6	Family independence program	\$	30,934,200
7	State disability assistance payments		(331,600)
8	State supplementation		8,775,800
9	State supplementation administration		297,300
10	Day care services	_	(27,528,900)
11	GROSS APPROPRIATION	\$	12,146,800
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues		20,000,000
15	State general fund/general purpose	\$	(7,853,200)
16	(3) CHILD SUPPORT ENFORCEMENT		
17	Legal support contracts	\$	600,000
18	Child support incentive payments	_	9,570,000
19	GROSS APPROPRIATION	\$	10,170,000
20	Appropriated from:		
21	Federal revenues:		
22	Federal child support incentive revenues - ARRA		10,170,000
23	State general fund/general purpose	\$	0
24	(4) INFORMATION TECHNOLOGY		
25	Child support automation	\$_	6,530,000
26	GROSS APPROPRIATION	\$	6,530,000
27	Appropriated from:		

1	Federal revenues:	
2	Federal child support incentive revenues - ARRA	6,530,000
3	State general fund/general purpose	\$ 0
4	(5) CHILDREN'S SERVICES	
5	Adoption subsidies	\$ (1,136,200)
6	GROSS APPROPRIATION	\$ (1,136,200)
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues	(521,200)
10	State general fund/general purpose	\$ (615,000)
11	(6) JUVENILE JUSTICE SERVICES	
12	Child care fund	\$ (1,218,800)
13	GROSS APPROPRIATION	\$ (1,218,800)
14	Appropriated from:	
15	State general fund/general purpose	\$ (1,218,800)
16	Sec. 107. DEPARTMENT OF STATE POLICE	
17	(1) APPROPRIATION SUMMARY	
18	GROSS APPROPRIATION	\$ 3,811,000
19	Interdepartmental grant revenues:	
20	Total interdepartmental grants and intradepartmental	
21	transfers	0
22	ADJUSTED GROSS APPROPRIATION	\$ 3,811,000
23	Federal revenues:	
24	Total federal revenues	
25	Special revenue funds:	
26	Total local revenues	0

1	Senate Bill No. 334 (H-1) as amended August 19, 2009 Total private revenues	0
2	Total other state restricted revenues	3,811,000
3	State general fund/general purpose	\$ 0
4	(2) FORENSIC SCIENCES	
5	Laboratory operations	\$ 3,811,000
6	GROSS APPROPRIATION	\$ 3,811,000
7	Appropriated from:	
8	Special revenues:	
9	State services fee fund	3,811,000
10	State general fund/general purpose	\$ 0
11	Sec. 108. DEPARTMENT OF TREASURY	
12	(1) APPROPRIATION SUMMARY	
13	GROSS APPROPRIATION	\$ [5,462,200]
14	Interdepartmental grant revenues:	
15	Total interdepartmental grants and intradepartmental	
16	transfers	0
17	ADJUSTED GROSS APPROPRIATION	\$ [5,462,200]
18	Federal revenues:	
19	Total federal revenues	0
20	Special revenue funds:	
21	Total local revenues	0
22	Total private revenues	0
23	Total other state restricted revenues	[7,462,200]
24	State general fund/general purpose	\$ (2,000,000)
25	(2) LOCAL GOVERNMENT PROGRAMS	
26	Blackstone settlement	\$ 3,500,000

Senate Bill No. 334 (H-1) as amended August 19, 2009

1	GROSS APPROPRIATION	\$ 3,500,000
2	Appropriated from:	
3	Special revenue funds:	
4	Land reutilization fund	5,500,000
5	State general fund/general purpose	\$ (2,000,000)
6	(3) REVENUE SHARING	
7	Constitutional state general revenue sharing grants	\$ (21,130,000)
8	Statutory state general revenue sharing grants	22,469,800
9	County revenue sharing payments	 [622,400]
10	GROSS APPROPRIATION	\$ [1,962,200]
11	Appropriated from:	
12	Special revenue funds:	
13	Sales tax	[1,962,200]
14	State general fund/general purpose	\$ 0

15 PART 2

16 PROVISIONS CONCERNING APPROPRIATIONS

17 GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2008-2009 is [\$216,236,600.00] and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is [\$743,400.00]. The itemized statement below identifies appropriations from which spending to local units of government will occur:

25 DEPARTMENT OF HUMAN SERVICES

Senate Bill No. 334 (H-1) as amended August 19, 2009 1 Child care fund..... \$ \$ (1,218,800)DEPARTMENT OF TREASURY 2 3 Constitutional state general revenue sharing grants.. \$ (21,130,000) Statutory state general revenue sharing grants 4 22,469,800 5 County revenue sharing payments..... [622,400] TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT 6 7 Sec. 202. (1) The appropriations authorized under this act are 8 subject to the management and budget act, 1984 PA 431, MCL 18.1101 9 to 18.1594. 10 (2) Funds for which the state is acting as the custodian or agent are not subject to annual appropriation. 11

DEPARTMENT OF COMMUNITY HEALTH

12

- Sec. 301. (1) Effective July 1, 2009, for fee-for-service recipients who do not reside in nursing homes, the pharmaceutical dispensing fee shall be \$2.50 or the pharmacy's usual or customary cash charge, whichever is less. For nursing home residents, the pharmaceutical dispensing fee shall be \$2.75 or the pharmacy's usual or customary cash charge, whichever is less.
- 19 (2) The department shall require a prescription copayment for
 20 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
 21 brand-name drug, except as prohibited by federal or state law or
 22 regulation.
- 23 (3) It is the intent of the legislature that if the department 24 realizes savings as a result of the implementation of average 25 manufacturer's price for reimbursement of multiple source generic 26 medication dispensing as imposed pursuant to the federal deficit

- Senate Bill No. 334 (H-1) as amended August 19, 2009 (1 of 2)
- 1 reduction act of 2005, Public Law 109-171, the savings shall be
- 2 returned to pharmacies in the form of an increased dispensing fee
- 3 for medications not to exceed \$2.00. The savings shall be
- 4 calculated as the difference in state expenditure between the
- 5 current methodology of payment, which is maximum allowable cost,
- 6 and the proposed new reimbursement method of average manufacturer's
- 7 price.

[Sec. 302. The department of community health shall review contract policies for the women, infants, and children program in an effort to maximize vendor participation while not undermining the amount of program resources available to individuals.

DEPARTMENT OF CORRECTIONS

Sec. 351. At least 90 days before beginning any effort to privatize, except for the current effort to privatize and contract for prisoner mental health services which is necessitated by the critical need for prisoner mental health treatment staff, the department shall submit a complete project plan to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies within 30 months. In the case of the current effort to privatize and contract for prisoner mental health services, the department shall submit a complete project plan to the appropriate senate and house appropriations committee chairs and appropriate senate and house appropriations subcommittee chairs as well as the senate and house fiscal agency and state budget office 10 days prior to beginning the effort.

Sec. 352. (1) Before privatizing any services or activities currently provided by state employees in the department, except for the privatization of prisoner mental health services which is necessitated by a critical shortage of mental health professional staff, the department shall submit to the senate and house appropriations committees a preprivatization cost-benefit analysis. This analysis shall utilize accurate, reliable, and objective data. Included in this analysis shall be a comparative estimate of the costs that will be incurred by this state over the life of the contract if 1 or both of the following occur:

- (a) The service or activity continues to be provided by state employees.
- (b) The service or activity is privatized. The costs of privatizing these services shall include the costs of all necessary monitoring and oversight of the private entity by this state. In all cases, including the provision of prisoner mental health services, these private entities shall be adequately bonded, so as not to expose the state to any potential future liability or legal causes of action.

Senate Bill No. 334 (H-1) as amended August 19, 2009 (2 of 2)

- (2) The department shall not commence any efforts to privatize the services or activities currently provided by state employees under part 1, except for prisoner mental health services, until the cost-benefit analysis prescribed by subsection (1) has been sent to both the senate and house appropriations committees 14 days prior to the efforts to privatize, and proves a cost savings of at least 5% of the costs of continuing to use state employees in providing the services or activities. Prior to awarding a contract for the provision of prisoner mental health treatment services, a cost-benefit analysis shall be completed as specified in subsection (1) above and submitted to the appropriate senate and house appropriations committee chairs and appropriate senate and house appropriations subcommittee chairs as well as the senate and house fiscal agency and state budget office not less than 7 days prior to awarding a contract.
- (3) A private contractor with a contract with this state that expends state or federal tax dollars shall have all records pertinent to state contracts, including all records detailing compliance with section 209, be subject to disclosure to the department or the department of management and budget.
- (4) State employees shall be given the opportunity to bid on contracts that privatize services that are or were provided by state employees. If the contract is awarded to any state employee, he or she ceases being an employee of the state.]

DEPARTMENT OF ENVIRONMENTAL QUALITY

- 9 Sec. 401. For the fiscal year ending September 30, 2009,
- 10 surplus funds in the community pollution prevention fund are hereby
- 11 appropriated to the environmental protection fund in the amount of
- \$874,900.00.

8

13 DEPARTMENT OF TREASURY

- 14 Sec. 601. The amount appropriated in part 1 for statutory
- 15 state general revenue sharing grants in combination with the
- 16 appropriation in 2008 PA 261 for statutory state general revenue
- 17 sharing grants is distributed to each city, village, and township
- 18 in an amount equal to the amount the city, village, or township
- 19 received in the 2008 state fiscal year under section 950(2) of 2007
- 20 PA 127.
- 21 Sec. 602. The funds appropriated in part 1 for constitutional
- 22 revenue sharing shall be distributed by the department to cities,
- villages, and townships, as required under section 10 of article IX
- 24 of the state constitution of 1963. Revenue collected in accordance
- with section 10 of article IX of the state constitution of 1963 in S01245'09 (H-1)

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- Senate Bill No. 334 (H-1) as amended August 19, 2009 1 excess of the amount appropriated in part 1 for constitutional
- 2 revenue sharing is appropriated for distribution to cities,
- 3 villages, and townships, on a population basis as required under
- 4 section 10 of article IX of the state constitution of 1963.

REPEALERS

5

6 Sec. 1001. [7 (1)] Section 1620 of 2008 PA 246 is repealed. (2)] Section 1630 of 2008 PA 246 is repealed. 9 [(3)] Section 1634 of 2008 PA 246 is repealed. 10 [(4)] Section 1635 of 2008 PA 246 is repealed. 11 12 [(5)] Section 1636 of 2008 PA 246 is repealed. 13 [(6)] Section 516 of 2008 PA 248 is repealed. 14 [(7)] Section 1104 of 2008 PA 248 is repealed. 15 [(8)] Section 950 of 2008 PA 261 is repealed. 16 [(9)] Section 711 of 2008 PA 275 is repealed. [(10) Section 207 of 2008 PA 245 is repealed.

(11) Section 207a of 2008 PA 245 is repealed.]