

**MENTAL HEALTH CODE (EXCERPT)**  
**Act 258 of 1974**

**330.1308 Financial liability of state.**

Sec. 308. (1) Except as otherwise provided in this chapter and subsections (2) and (3), and subject to the constraint of funds actually appropriated by the legislature for such purpose, the state shall pay 90% of the annual net cost of a community mental health services program that is established and administered in accordance with chapter 2.

(2) Beginning in the fiscal year after a community mental health services program becomes a community mental health authority under section 205, if the department increases the amount of state funds provided to community mental health services programs for the fiscal year, all of the following apply:

(a) The amount of local match required of a community mental health authority for that fiscal year shall not exceed the amount of funds provided by the community mental health services program as local match in the year in which the program became a community mental health authority.

(b) Subject to the constraint of funds actually appropriated by the county or county board of commissioners, the amount of county match required of a county or counties that have created a community mental health authority shall not exceed the amount of funds provided by the county or counties as county match in fiscal year 1994-1995 or the year the authority is created, whichever is greater.

(c) If the local match provided by the community mental health services program is less than the level of local match provided in the year in which the community mental health services program became a community mental health authority, subdivision (a) does not apply.

(d) The state is not obligated to provide additional state funds because of the limitation on local funding levels provided for in subdivisions (a) and (b).

(3) The state shall pay the family support subsidies established under section 156.

(4) If 2 or more existing community mental health services programs merge pursuant to section 219, the state shall pay 100% of administrative costs approved by the department for the newly created community mental health services program for 3 years after the date of merger.

(5) If a county demonstrates an inability to meet its local match obligation due to financial hardship, the department may do either of the following:

(a) Accept a joint plan of correction from the county and its community mental health services program that ensures full payment over an extended period of time.

(b) Waive a portion of the county's obligation based on hardship criteria established by the department.

**History:** 1974, Act 258, Eff. Aug. 6, 1975;—Am. 1983, Act 249, Imd. Eff. Dec. 15, 1983;—Am. 1995, Act 290, Eff. Mar. 28, 1996.

**Compiler's note:** Section 2 of Act 249 of 1983 provides: "This amendatory act shall take effect January 1, 1984, for the purpose of promulgating rules pursuant to section 157, and July 1, 1984, for the purpose of accepting written application."