

HOUSE BILL No. 4582

EXECUTIVE BUDGET BILL

March 18, 1991, Introduced by Reps. Ostling, Johnson, Gilmer, Bender and Sparks and referred to the Committee on Appropriations.

A bill to make appropriations for the department of mental health and certain state purposes related to mental hygiene for the fiscal year ending September 30, 1992; to provide for the expenditure of such appropriations; to create funds; to provide for reports; to prescribe the powers and duties of certain state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 101. There is appropriated for the department of mental health

for the fiscal year ending September 30, 1992, from the funds identified
hereunder:

DEPARTMENT OF MENTAL HEALTH

APPROPRIATIONS SUMMARY:

Full-time equated unclassified positions.....6.0

Full-time equated classified positions.....7,934.9

GROSS APPROPRIATION.....\$ 1,301,193,200

Interdepartmental grant revenues:

Total grants..... 10,100,000

ADJUSTED GROSS APPROPRIATION.....\$ 1,291,093,200

Federal revenues:

Total federal revenues..... 310,465,500

Special revenue funds:

Total local revenues..... 35,120,000

Total private revenues..... 3,000,000

Total other revenues..... 52,677,400

State general fund/general purpose.....\$ 889,830,300

EXECUTIVE PROGRAM

Full-time equated unclassified positions.....6.0

Full-time equated classified positions.....330.0

Director.....\$ 83,100

Deputy directors and executive assistants..... 231,600

Citizens' mental health advisory council (per diem cost,

\$50.00 per member)..... 35,500

Departmental administration and management, including

facilities' salaries and fringes -- 330.0 FTE positions... 18,835,000

1	Central fund for acquiring additional federal funds.....	4,167,800
2	Central fund for acquiring additional private funds.....	1,000,000
3	Expansion of itemized billing implementation.....	1,500,000
4	GROSS APPROPRIATION.....\$	25,853,000
5	Appropriated from:	
6	Federal revenues:	
7	HHS-HCFA, title XIX.....	1,274,500
8	Federal-special education.....	30,000
9	Federal revenue, additional acquired.....	4,167,800
10	Special revenue funds:	
11	Private revenue, additional acquired.....	1,000,000
12	1st/3rd party revenue.....	1,000,000
13	State general fund/general purpose.....\$	18,380,700
14	DATA PROCESSING--MENTAL HEALTH	
15	Full-time equated classified positions.....	53.0
16	Automated data processing services--53.0 FTE positions.....\$	4,996,700
17	GROSS APPROPRIATION.....\$	4,996,700
18	Appropriated from:	
19	Special revenue funds:	
20	Local-community mental health-purchase of services.....	278,900
21	State general fund/general purpose.....\$	4,717,700
22	DEVELOPMENTAL DISABILITIES	
23	Full-time equated classified positions.....	12.0
24	Developmental disabilities projects -- 12.0 FTE positions..\$	2,309,500
25	GROSS APPROPRIATION.....\$	2,309,500
26	Appropriated from:	

1 Federal revenues:

2 HHS-OHDS, developmental disabilities, basic support and
3 advocacy grants..... 2,309,500

4 SPECIAL PROJECTS

5 Full-time equated classified positions.....14.0

6 Developmental disabilities dental program.....\$ 200,000

7 Pilot projects in prevention for mentally ill adults and
8 children -- 5.0 FTE positions..... 2,595,100

9 Consumer involvement program..... 487,200

10 Foster grandparent and senior companion program for the
11 developmentally disabled and mentally ill adults..... 1,689,100

12 Permanency planning project -- 4.0 FTE positions..... 234,300

13 Protection and advocacy services for mentally ill and
14 developmentally disabled..... 800,000

15 Mental health initiatives for older persons..... 421,700

16 Direct care staff training -- 1.0 FTE position..... 485,000

17 Mental health services through McKinney homeless assistance
18 -- 4.0 FTE positions..... 1,265,800

19 GROSS APPROPRIATION.....\$ 8,178,200

20 Appropriated from:

21 Federal revenues:

22 Stuart B. McKinney homeless assistance act (title IV)..... 915,800

23 Federal training funds..... 135,000

24 State general fund/general purpose.....\$ 7,127,400

25 COMMUNITY MENTAL HEALTH PROGRAMS

26 Full-time equated classified positions.....12.0

1	Community mental health programs.....	\$ 458,523,700
2	Inpatient care and alternative program (pursuant to	
3	section 116 of Act No. 258 of the Public Acts of	
4	1974, being section 330.1116 of the Michigan	
5	Compiled Laws).....	410,373,400
6	Federal block grant.....	5,307,800
7	Omnibus reconciliation act implementation	
8	-- 12 FTE positions.....	47,471,900
9	Community mental health grant fund (pursuant to	
10	sections 226a, 244, 300, 309, 310, 311, and 313 of	
11	Act No. 258 of the Public Acts of 1974, being sections	
12	330.1226a, 330.1244, 330.1300, 330.1309, 330.1310,	
13	330.1311, and 330.1313 of the Michigan Compiled Laws).....	5,500,000
14	Family support subsidy.....	11,093,800
15	GROSS APPROPRIATION.....	\$ 938,270,600
16	Appropriated from:	
17	Federal revenues:	
18	HHS-HCFA, title XIX.....	90,881,700
19	HHS-OASH.....	5,307,800
20	Federal-Omnibus reconciliation act, title XIX, medicaid.....	25,812,300
21	ADAMHA-department of public health/office of substance	
22	abuse block grant.....	1,180,400
23	Special revenue funds:	
24	Recipient fees and third-party reimbursements.....	5,500,000
25	State general fund/general purpose.....	\$ 809,588,400
26	COMMUNITY INPATIENT/RESIDENTIAL BEDS	

1	Community inpatient/residential beds for mentally ill	
2	children and adults.....	\$ 10,957,500
3	Clinton valley center reduction project.....	2,788,600
4	Developmentally disabled centers census reduction project...	6,152,000
5	GROSS APPROPRIATION.....	\$ 19,898,100
6	Appropriated from:	
7	State general fund/general purpose.....	\$ 19,898,100
8	COMMUNITY RESIDENTIAL SERVICES	
9	Full-time equated classified positions.....	800.5
10	Community residential services for mentally ill children	\$ 8,787,400
11	-- 15.0 full-time positions.....	
12	Community residential services for mentally ill adults	
13	-- 47.0 full-time positions.....	9,173,700
14	Community residential services for the developmentally	
15	disabled -- 733.5 full-time positions.....	277,930,400
16	Private nursing homes and alternative services	
17	program -- 5.0 FTE positions.....	17,711,300
18	Alternative intermediate services/mentally retarded.....	221,900
19	State police, fire marshall reviews.....	484,200
20	Department of social services, SSI advocacy for mental	
21	health.....	347,000
22	Department of public health, ICF/MR certification reviews...	106,900
23	GROSS APPROPRIATION.....	\$ 314,762,800
24	Appropriated from:	
25	Federal revenues:	
26	HHS-HCFA, title XIX, medicaid.....	\$ 121,460,100

1 Special revenue funds:

2	Audit exception/cost settlement revenue.....	1,500,000
3	1st/3rd party revenues.....	1,000,000
4	Local county match revenues.....	5,800,000
5	State general fund/general purpose.....\$	185,002,700

6 INSTITUTIONAL SERVICES

7	Full-time equated classified positions.....	32.0
8	Worker's compensation and staff -- 3.0 FTE positions.....\$	11,849,600
9	Psychiatric residency program.....	4,095,100
10	DED-OESE, ECIA-title I -- 8.5 FTE positions.....	588,300
11	Purchase of medical services for state mental health	
12	facility residents.....	3,404,400
13	Improvement of lease/rental property at state mental health	
14	institutions.....	420,000
15	Equipment.....	2,474,900
16	Special maintenance.....	513,100
17	Gifts and bequests.....	2,000,000
18	Jobs retraining fund.....	195,000
19	Severance pay.....	11,000,000
20	Special education program -- 20.0 FTE positions.....	1,121,800
21	Plant closure maintenance.....	4,287,900
22	CMH or state agency purchase of services.....	1,000,000
23	GROSS APPROPRIATION.....\$	42,950,100

24 Appropriated from:

25 Federal revenues:

26 DED-OESE, educationally deprived children, state

1	administration-title I.....	588,300
2	Special revenue funds:	
3	Local-special education revenue.....	1,796,800
4	Lease/rental revenue.....	1,085,000
5	CMH or state agency purchase of services.....	1,000,000
6	Private-gifts and bequests revenues.....	2,000,000
7	State general fund/general purpose.....\$	36,480,000
8	STATE FACILITY REDUCTION FOR MENTALLY ILL ADULTS AND CHILDREN	
9	State facility bed reduction for mentally ill	
10	adults and children.....	(9,457,500)
11	GROSS APPROPRIATION.....\$	(9,457,500)
12	Appropriated from:	
13	State general fund/general purpose.....\$	(9,457,500)
14	SEC. 116 INPATIENT CARE AND ALTERNATIVE PROGRAMS.....\$	(410,373,400)
15	Inpatient care and alternative program (pursuant to	
16	section 116 of Act No. 258 of the Public Acts of 1974,	
17	being section 330.1116 of the Michigan Compiled Laws).....	(410,373,400)
18	Appropriated from:	
19	State general fund/general purpose.....\$	(410,373,400)
20	MENTALLY ILL ADULT FACILITIES	
21	Average population.....	2,584
22	Full-time equated classified positions.....	4,419.7
23	Mentally ill adult facilities -- 4,419.7 FTE positions.....\$	255,465,700
24	GROSS APPROPRIATION.....\$	255,465,700
25	IDG-department of corrections.....	1,100,000
26	HHS-HCFA, title XIX.....	8,473,200

1	1st/3rd party revenue.....	21,311,200
2	Local county match.....	18,195,300
3	Sale of surplus property.....	5,000,000
4	State general fund/general purpose.....\$	201,386,000
5	MENTALLY ILL CHILDREN'S FACILITIES	
6	Average population.....	335
7	Full-time equated classified positions.....	806.5
8	Mentally ill children's facilities.-- 806.5 FTE positions..\$	42,941,200
9	GROSS APPROPRIATION.....\$	42,941,200
10	HHS-HCFA, title XIX.....	13,095,100
11	1st/3rd party revenue.....	6,317,000
12	Local county match.....	1,428,300
13	IDG Department of education.....	9,000,000
14	DAG-FNS National school lunch program.....	651,600
15	State general fund/general purpose.....\$	12,449,200
16	CENTERS FOR DEVELOPMENTALLY DISABLED	
17	Average population.....	574
18	Full-time equated classified positions.....	1,455.2
19	Facilities for developmentally disabled.--	
20	1,455.2 FTE positions.....\$	65,398,300
21	GROSS APPROPRIATION.....\$	65,398,300
22	HHS-HCFA, title XIX.....	34,182,400
23	1st/3rd party revenue.....	8,764,200
24	Local county match.....	7,620,700
25	Miscellaneous revenue.....	200,000
26	State general fund/general purpose.....\$	14,631,000

1 GENERAL SECTIONS

2 Sec. 201. (1) In accordance with the provisions of section 30
3 of article IX of the state constitution of 1963, total state spending
4 in this bill is \$942,507,700.00 and state spending to units of local
5 government is as follows:

6 DEPARTMENT OF MENTAL HEALTH

7	Community mental health programs.....	\$366,461,600
8	Community mental health grant fund.....	5,500,000
9	Family support subsidies.....	11,093,800
10	Inpatient/residential care alternatives.....	9,457,500
11	Foster grandparents and senior companions.....	1,689,100
12	Prevention projects.....	2,595,100
13	Aftercare impact projects for the mentally ill.....	247,900
14	Consumer involvement program.....	487,200
15	Omnibus reconciliation act implementation.....	21,659,600
16	Section 116 - Mental health code.....	410,373,400
17	Total.....	\$829,565,200

18 (2) When it appears to the director of the department that state
19 spending to local units of government will be less than the amount
20 that was projected to be expended for any quarter, the director shall
21 immediately give notice of the approximate shortfall to the department
22 of management and budget, the senate and house appropriations
23 committees, and the senate and house fiscal agencies.

24 Sec. 202. The appropriations made and the expenditures authorized
25 under this act and the departments, agencies, commissions, boards,
26 offices, and programs for which an appropriation is made under this

1 act are subject to the management and budget act, Act No. 431 of the
2 Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan
3 Compiled Laws.

4 Sec. 203. The amounts appropriated for utilities and that portion
5 of contractual services, supplies, and materials used to pay for
6 utility service to state facilities in section 101 may be expended
7 in a manner consistent with the provisions of section 253 of the
8 management and budget act, Act No. 431 of the Public Acts of 1984,
9 being section 18.1253 of the Michigan Compiled Laws.

10 Sec. 204. As used in this act:

11 (a) "ADAMHA" means the United States department of health and
12 human services, alcohol, drug abuse, and mental health administration.

13 (b) "ADP" means automated data processing.

14 (c) "CMH" means community mental health.

15 (d) "DAG-FNS" means the United States department of agriculture,
16 food and nutrition services.

17 (e) "DED-OESE" means the United States department of education,
18 office of elementary and secondary education.

19 (f) "DED-OESE (ECIA)" means the education consolidation and
20 improvement act.

21 (g) "Department" means the department of mental health.

22 (h) "FTE" means full-time equated.

23 (i) "HHS" means the United States department of health and human
24 services.

25 (j) "HHS-HCFA" means the health care financing administration.

26 (k) "HHS-OASH" means the office of the assistant secretary for

1 health.

2 (l) "HHS-OHDS" means the office of human development services.

3 (m) "ICF/MR" means intermediate care facility for the mentally
4 retarded.

5 (n) "IDG" means interdepartmental grant.

6 (o) "IDT" means intradepartmental transfer.

7 (p) "SSI" means supplemental security income.

8 (q) "Title XIX" means title XIX of the social security act,
9 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f to 1396g,
10 and 1396i to 1396s.

11 (r) "Title XX" means title XX of the social security act, chapter
12 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397e.

13 Sec. 205. (1) It is the intent of the legislature that the funds
14 appropriated in section 101 will permit the department or agency to
15 carry out each program for the entire fiscal year, unless a shorter
16 period is provided in law.

17 (2) The department or agency shall not make or authorize an
18 expenditure or incur an obligation that exceeds or results in spending
19 that will exceed the amount appropriated in section 101.

20 (3) In consultation with the department of management and budget,
21 the department or agency shall, for each appropriation, develop a
22 spending plan allotting the amount appropriated over the full 12 months
23 of the fiscal year ending September 30, 1992.

24 (4) The department or agency director shall advise the director
25 of the department of management and budget if an appropriation in
26 section 101 will not permit the department or agency to carry out

1 the specific program by line item as mandated by the legislature for
2 the entire fiscal year. The department or agency director shall
3 consider both the amount appropriated for each line item and the
4 sufficiency of projected sources of financing when deciding whether
5 the appropriation will last the entire fiscal year. If the director
6 of the department of management and budget concurs with the projections
7 of the department or agency, the directors of the department of
8 management and budget and the department or agency shall advise the
9 chairpersons of the senate and house appropriations committees, and
10 the chairpersons of the appropriate appropriations subcommittees that
11 an amount appropriated in section 101 will not permit the department
12 or agency to carry out the program mandated by the legislature for
13 the entire fiscal year.

14 (5) If both of the appropriations committees disagree with the
15 conclusion of the director of the department of management and budget
16 and the department or agency director within 10 days, the house fiscal
17 agency and senate fiscal agency shall immediately publish estimates
18 of whether the amount appropriated, including all sources of financing
19 assumed in the appropriation, will permit the department or agency
20 to carry out the program mandated by the legislature for the entire
21 fiscal year.

22 (6) If the legislature does not act within 30 days of the notice
23 from the department of management and budget and the department or
24 agency directors provided in subsection (4), to either:

25 (a) Reduce the mandated level of service;

26 (b) Authorize the program to end before the fiscal year is

1 completed; or,

2 (c) Increase the amount of the appropriation by supplemental
3 or transfer, then the department shall reduce the rate of spending
4 in order to carry out the legislature's intent that the program be
5 carried out for the full fiscal year.

6 EXECUTIVE OFFICE

7 Sec. 301. Funds appropriated in section 101 from the central
8 fund for acquiring additional federal grant funds and from the central
9 fund for acquiring private funds shall not be expended until the grant
10 money is actually authorized by the grantor. Funds accepted under
11 this section shall not be authorized if the receipt of the funds
12 mandates a commitment for state funding at a future date.

13 Sec. 302. The specific amounts indicated in Section 101 of this
14 act as restricted revenue for financing appropriations from 1st and
15 3rd parties, HCFA Title XIX, and county revenues are estimates of
16 the proportion of the total amounts expected to be collected, and
17 the department may satisfy any individual restricted revenue deduct
18 amount from the total revenues of all of those revenue sources. A
19 report will be provided to the legislative fiscal agencies and
20 department of management and budget on actual collections by revenue
21 source for each appropriation unit. Preliminary estimates shall be
22 provided by December 1, 1992. A final report shall be provided by
23 March 1, 1993.

24 Sec. 303. The department shall continue a revenue recapture
25 project to generate additional revenues from third parties related
26 to cases which have been closed or are inactive. Revenues collected

1 through project efforts are appropriated to the department for
2 departmental costs and contractual fees associated with these
3 retroactive collections and to improve ongoing departmental
4 reimbursement management functions so that the need for retroactive
5 collections will be reduced or eliminated.

6 Sec. 304. The department's ability to satisfy appropriation
7 deductions in section 101 shall not be limited to collections and
8 accruals pertaining to services provided in fiscal year 1991-92, but
9 shall also include reimbursements, refunds, adjustments, and
10 settlements from the prior 2 years.

11 Sec. 305. (1) With the approval of the senate and house
12 appropriations subcommittees on mental health, the director of the
13 department may establish a discretionary fund not to exceed 5% of
14 the sum of the amounts of funds appropriated in section 101 for the
15 operation and support of executive programs, community mental health,
16 institutional operations, residential services, revenue and expenditure
17 reduction adjustments, and community mental health medicaid revenues.

18 (2) The director of the department may allocate expenditure
19 authorization amounts from the discretionary fund to departmental
20 institutions, community mental health boards, or for family support
21 subsidy payments. These funds may be used to achieve or maintain
22 certification for federal title XIX benefits, to equalize and maximize
23 staffing needs assessment project ratios, to expedite the transition
24 of responsibility for services to community mental health boards,
25 and to minimize the utilization of state inpatient services.

26 (3) The director of the department may also allocate revenue

1 amounts from the discretionary fund for the revenue and expenditure
2 adjustment section including HHS-HFCA, Title XIX, DAG-FNS, national
3 school lunch program, first/third party revenues, miscellaneous
4 revenues, and local county match revenues into another revenue account
5 listed in this section, and into community mental health medicaid
6 revenue accounts.

7 Sec. 306. Funds appropriated in section 101 for the mental health
8 advisory council may be used for member per diems of \$50.00 and other
9 council expenditures. Funds may also be used for the expenses of the
10 state mental health advisory council on deafness.

11 Sec. 307. Unexpended and unencumbered amounts and accompanying
12 expenditure authorizations remaining on September 30, 1992 from the
13 amounts appropriated in section 101 for federal block grants in
14 community mental health programs, gifts, and bequests in the
15 institutional services program, special maintenance program, and the
16 developmental disabilities programs shall carry forward for 1 fiscal
17 year after which they will lapse. Unexpended and unencumbered amounts
18 remaining on September 30, 1992 from the amounts appropriated in
19 section 101 for staff to the council for developmental disabilities
20 shall transfer to and be carried forward in the developmental
21 disabilities projects grants at accounting line 110-39-2422.

22 Sec. 308. Revenues appropriated in section 101 as audit
23 exception/cost settlement revenues are revenues recovered by all
24 methods from department contract audit settlements and contract cost
25 settlements of prior fiscal years.

26 Sec. 309. The department of mental health shall provide periodic

1 reports concerning the department's revenue and expenditure status
2 to the auditor general, the senate fiscal agency, the house fiscal
3 agency, and the department of management and budget.

4 Sec. 310. Federal grants awarded to the department for a period
5 which extends beyond the end of the fiscal year shall be carried
6 forward to the following fiscal year to the extent they are unexpended.
7 Unexpended and unencumbered amounts and accompanying expenditure
8 authorizations remaining on September 30, 1991, and September 30,
9 1992 from federal grants awarded to the department for periods which
10 extend beyond the end of the fiscal year shall carry forward into
11 the following fiscal year.

12 SPECIAL PROJECTS

13 Sec. 401. Unexpended and unencumbered amounts and accompanying
14 expenditure authorizations remaining on September 30, 1991 from the
15 amounts appropriated in section 101 for the Stuart B. McKinney homeless
16 assistance act shall carry forward until the project is completed.

17 COMMUNITY MENTAL HEALTH

18 Sec. 501. (1) Funds allocated in section 101 for community mental
19 health include the continuation of transportation services, funded
20 100% with state funds and include Title XX transportation grants.

21 (2) In addition to the funds appropriated in section 101 for
22 community mental health services, there is appropriated \$8,000,000.00
23 in additional federal clinic services program funding sources. It
24 is intended that the community mental health boards maximize federal
25 funding sources. CMH boards shall retain, contingent upon actual
26 earnings, the amount of increased federal funds above the amounts

1 authorized in the billable services fiscal year ending September 30,
2 1991 contracts. State funding provided in each CMH board's contract
3 shall not be altered as a result of implementation of this section.

4 Sec. 502. (1) The funds appropriated in section 101 for contract
5 community mental health boards are for the purchase of state facility
6 inpatient services or for approved community-based programs which
7 reduce utilization of state provided inpatient services below this
8 appropriated level. These funds shall be allocated to contract
9 community mental health boards based on estimates approved by the
10 department as part of the negotiated contract.

11 (2) Funds which are allocated to these contract community mental
12 health boards, when used to purchase state facility inpatient services,
13 shall be provided to state facilities based on the per diem and billing
14 arrangements approved by the department in the negotiated contract.

15 (3) The department shall have administrative authority to transfer
16 funds that are allocated for state inpatient care, but not expended
17 due to the utilization of state inpatient services below planned
18 levels. Transferred funds shall be placed in a shared management
19 fund account. The department may distribute money in the shared
20 management fund account to eligible community mental health boards
21 with shared management contracts with the department for departmentally
22 approved community-based programs if the actual utilization of state
23 inpatient services is lower than the planned utilization as defined
24 by contract provisions. The shared management fund account balance
25 shall carry forward at the end of the fiscal year.

26 Sec. 503. (1) From funds appropriated in section 101, final

1 allocations to community mental health boards shall be made upon the
2 execution of a contract between the department and each community
3 mental health board. The contract shall contain an approved plan and
4 budget as well as the policies and procedures governing the obligations
5 and responsibilities of both parties to the contract.

6 (2) The department may make preliminary allotments to community
7 mental health boards which have indicated in writing to the director
8 of the department their intent to negotiate a contract for the fiscal
9 year ending September 30, 1992.

10 (3) The director shall provide a community mental health board
11 with an opportunity for a hearing if the individual community mental
12 health board and the department fail to negotiate and execute a
13 contract by March 1 of the fiscal year ending September 30, 1992.

14 (4) The funds appropriated in this act for community mental health
15 programs shall not be used to replace funds no longer available because
16 the local government or community mental health board reduced its
17 base of support for state and local mental health services, as defined
18 in chapter 2 of the mental health code, Act No. 258 of the Public
19 Acts of 1974, being sections 330.1200 to 330.1246 of the Michigan
20 Compiled Laws, below that of the previous year.

21 (5) If a specific community mental health board cannot utilize
22 its state allotment, the director of the department may adjust the
23 allotment and transfer those funds to other community mental health
24 boards which have demonstrated a need for additional fiscal resources.

25 Sec. 504. (1) The funds appropriated in section 101 for inpatient
26 care and alternative programs shall be allocated to community mental

1 health boards under a formal contract with the department. The spending
2 plans, authorizations, and allocations for each community mental health
3 board shall be determined by the department central office staff,
4 in cooperation with community mental health boards.

5 (2) If a community mental health board has not indicated the
6 willingness or capacity to accept the shift of responsibility as
7 provided in subsection (1), the community mental health board may
8 enter into a contract with the department which provides that clients
9 of the community mental health board in a state facility shall continue
10 to be served by the department, which shall retain full allocation
11 authority on behalf of the community mental health board for state
12 facility services.

13 (3) Within the provisions of this section, the department may
14 enter into a formal contract with a community mental health board
15 for shared management of the provision of state facility services
16 to a client who is a resident of the county served by the community
17 mental health board.

18 (4) Current billing and collection procedures for the net cost
19 of state provided services shall continue as specified in chapter
20 3 of the mental health code, Act No. 258 of the Public Acts of 1974,
21 being sections 330.1300 to 330.1320 of the Michigan Compiled Laws.

22 (5) With the exception of funds allocated to community mental
23 health boards, the department shall have administrative authority
24 to transfer funds from the appropriation authorized in section 101
25 to satisfy but not exceed state facility deduct amounts.

26 (6) The department may access funds from this appropriation

1 directly for patients who have no county affiliation or for whom county
2 charges are exempted.

3 (7) The shift of funds to the counties shall not result in
4 increased costs to counties in excess of the local match required
5 under section 302 of the mental health code, Act No. 258 of the Public
6 Acts of 1974, being section 330.1302 of the Michigan Compiled Laws.

7 Sec. 505. CMH boards may, consistent with generally accepted
8 accounting principles, establish accounts payable to finance known
9 costs such as anticipated court judgments and settlements, audit
10 exceptions, and other one-time costs.

11 Sec. 506. (1) Funds appropriated in section 101 for community
12 mental health services may be reserved and carried forward into the
13 subsequent fiscal year by county community mental health boards as
14 part of a planned strategy to assist in dealing with base reductions
15 and unfunded economic increases.

16 (2) Funding reserved for base program reductions and unfunded
17 economic increases shall be limited to the difference between the
18 cost of continuing existing community mental health services in the
19 subsequent fiscal year and the level of funding available, and shall
20 be reserved as part of a plan submitted and approved by the department
21 by the end of the third quarter.

22 (3) Conditions under which funding may be reserved include all
23 of the following:

24 (a) The plan shall not alter or amend provisions of the contract
25 between the department and county community mental health boards
26 regarding protection of categorical funding.

1 (b) An expenditure made from a reserve account does not change
2 a board's base allocation or create a full year cost obligation for
3 the department.

4 (c) County community mental health boards shall report on the
5 amount and source of the carry forward and the amount and purpose
6 of expenditures from reserve accounts to the department.

7 (d) Funding carried forward and not used for the stated purpose
8 shall lapse to the state general fund.

9 (4) Utilization of this capacity shall be assessed and reported
10 to the house and senate appropriations committees and the department
11 of management and budget by July 1, 1992.

12 Sec. 507. The department may advance to each community mental
13 health service board an amount not to exceed one fourth of their
14 estimated total collections from Medicaid and may establish a separate
15 accounts receivable for the total of these amounts.

16 Sec. 508. The amount appropriated in section 101 for community
17 mental health services is intended for funding of community mental
18 health service boards in accordance with contracts between the
19 department and the boards for the current fiscal year. The department
20 shall establish such total payable and receivable amounts as may be
21 appropriate to represent the expected final state obligation for all
22 such contracts. After final review of the expenditure reports required
23 by the contracts, any amounts advanced to the board which are returned
24 to the department and any amounts paid to the boards in accordance
25 with the provisions of the contracts shall be considered to be
26 adjustments to the program expenditures for prior fiscal years. These

1 prior year transactions shall be recorded in a separate account
2 established for that purpose. Community mental health programs prior
3 year revenue recognized in the current fiscal year may be restricted
4 to finance related prior year expenditures not previously recorded.

5 INSTITUTIONAL SERVICES AND FACILITIES

6 Sec. 601. (1) The department may charge rent to state or other
7 tenants occupying space in any of its facilities. The rental rates
8 and all leasing arrangements shall be subject to the approval of the
9 department of management and budget and the state administrative board.
10 Revenues received under this section shall be available for expenditure
11 by the department for maintenance, renovation, administrative expense
12 associated with the leased space and for other departmental
13 expenditures. Unexpended and unencumbered amounts remaining on
14 September 30, 1992 from the amounts appropriated in section 101 for
15 the lease/rental program shall carry forward for 1 fiscal year after
16 which time they shall lapse.

17 (2) In order to assist with the implementation of sections 400,
18 468, 469, 472, 477, 482, 483, 484, and 485a of the mental health code,
19 Act No. 258 of the Public Acts of 1974, being sections 330.1400,
20 330.1468, 330.1469, 330.1472, 330.1477, 330.1482, 330.1483, 330.1484,
21 and 330.1485a of the Michigan Compiled Laws, and to assure that county
22 community mental health boards are able to provide the proper liaison
23 and client services management assistance to county residents of state
24 facilities, the department shall ensure that adequate office space
25 is made available on the grounds of state facilities at no cost to
26 counties whose residents are cared for at those facilities.

1 Sec. 602. The operation of the power plant at the Kalamazoo state
2 hospital shall be financed from charges to the appropriations to the
3 Kalamazoo state hospital and western Michigan university, which charges
4 shall be based upon the cost of the power plant and upon the usage
5 of heat and electrical power by the hospital and the university.

6 Sec. 603. Funds appropriated in section 101 for state facility
7 operating maintenance projects which have been approved by the
8 department of management and budget may carry forward for 1 fiscal
9 year to enable completion, upon review and approval by the department
10 of management and budget.

11 Sec. 604. In addition to the amounts appropriated in section
12 101, revenues from the sale of sheltered workshop services and products
13 are appropriated to be expended for supplies, equipment, and other
14 costs associated with the maintenance of the sheltered workshop
15 program, excluding costs of compensating state classified employees.
16 The unspent balance on the last day of the fiscal year ending September
17 30, 1992 shall be carried forward into the subsequent fiscal year.

18 Sec. 605. Funds appropriated in section 101 for gifts and bequests
19 include patient trust fund revenues and pay telephone revenues to
20 be allocated for patient living unit furnishings, recreational, and
21 vocational materials and supplies.

22 Sec. 606. (1) In addition to the amounts appropriated in section
23 101, revenues received during fiscal year 1991-92 from the sale of
24 land, supplies, equipment, or other property under the jurisdiction
25 of the department of mental health during fiscal year 1991-92 or during
26 any fiscal year before fiscal year 1991-92 to a nonstate agency or

1 department are appropriated to be expended to enhance and expand mental
2 health services. The unspent balance on the last day of the fiscal
3 year ending September 30, 1992 shall be carried forward into the
4 subsequent fiscal years.

5 (2) All land, supplies, equipment, or other property under the
6 jurisdiction of the department of mental health that is not needed
7 for present or future use by the department of mental health and that
8 is not sold or transferred during fiscal year 1991-92 to another state
9 agency or department for its use shall be sold at not less than fair
10 market value.

11 WORKER'S COMPENSATION

12 Sec. 701. From funds appropriated for worker's compensation,
13 the department of mental health may make payments in lieu of worker's
14 compensation payments for wage/salary and related fringe benefits
15 for employees who return to work under limited duty assignments.
16 Employees returning to work under limited duty assignments and who
17 are funded under this subsection will be in addition to the facility's
18 existing staffing authorization.