

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bills 1006 through 1010 (as introduced 2-15-00)
Sponsor: Senator Bev Hammerstrom (Senate Bill 1006)
Senator Mike Rogers (Senate Bill 1007)
Senator Joel D. Gougeon (Senate Bill 1008)
Senator Shirley Johnson (Senate Bill 1009)
Senator Mike Goschka (Senate Bill 1010)
Committee: Families, Mental Health and Human Services

Date Completed: 2-15-00

CONTENT

Senate Bills 1006 through 1010 would amend various acts to allow a county to organize and operate a community mental health (CMH) services program jointly with a university that grants bachelors degrees and has a medical school. The bills also would authorize a CMH authority to secure loans, make credit card transactions, establish a line of credit, and purchase or lease land, property, and equipment.

Senate Bill 1006

The bill would amend the Mental Health Code to allow one or more counties and a Michigan institution of higher education that is authorized to grant a baccalaureate degree and has a medical school to organize and operate a CMH services program by creating a CMH organization under the Urban Cooperation Act (which Senate Bill 1007 would amend). The county or counties and the Michigan institution of higher education could establish a CMH services program by a majority vote of each county board of commissioners and of the board of the medical school.

The Code currently allows two or more counties to organize and operate a CMH services program by creating a CMH organization under the Urban Cooperation Act, and it allows a single county or combination of adjoining counties to elect to establish a CMH services program by a majority vote of each county board of commissioners. The bill would retain those provisions.

Senate Bill 1007

The bill would amend the Urban Cooperation Act to specify that, for the purpose of an interlocal agreement under Senate Bill 1006, the Act's definition of "public agency" would include a Michigan institution of higher education that is authorized to grant a baccalaureate degree and has a medical school.

The Act defines "public agency" as a political subdivision of the State or of another state or of Canada, including but not limited to state government; a county, city, village, township, charter township, school district, single or multipurpose special district, or single or multipurpose public authority; a provincial government, metropolitan government, borough, or other political subdivision of Canada; an agency of the U.S. government; or a similar entity of any other state of the U.S. or Canada.

Senate Bill 1008

The bill would amend Public Act 266 of 1995, which authorizes and regulates credit card transactions involving local units of government, to include a CMH authority created under the Mental Health Code in the Act's definitions of "governing body" and "local unit".

Senate Bill 1009

The bill would amend the Mental Health Code to allow a CMH authority to borrow money for facilities, equipment, or refinancing existing debts secured by the authority's assets as collateral. These obligations could not be for longer than the useful life of the collateral and would have to be authorized by a resolution approved by a majority of the CMH board. The obligations would not be subject to the Municipal Finance Act.

The bill also would allow a CMH authority to enter into any contract or agreement for the purchase of land, property, or equipment for public purposes or for refinancing an outstanding contract or agreement to be paid for in installments. The contracts and agreements would not be subject to the Municipal Finance Act.

In addition, the bill would allow a CMH authority to lease facilities, equipment, or other property. The leases could not be for longer than the useful life of the facility, equipment, or other property and would have to be authorized by a resolution approved by a majority of the CMH board. The leases would not be subject to the Municipal Finance Act.

Under the bill, a CMH authority could obtain a line of credit to secure funds for authority operations or to pay previous loans obtained for authority operations under the Code or any other statute. The line of credit would have to be authorized by a resolution approved by a majority of the CMH board, and the authority could not borrow against the line of credit an amount greater than the previous two months' revenue from contracted sources.

Senate Bill 1010

The bill would amend Public Act 35 of 1951, which authorizes intergovernmental contracts between municipal corporations, to include in the Act's definition of "municipal corporation" a CMH authority. (Currently, "municipal corporation" means a county, charter county, county road commission, township, charter township, city, village, school district, intermediate school district, community college district, metropolitan district, court district, public authority, drainage district, or any other local governmental authority or local agency with power to enter into contractual undertakings. For certain purposes, "municipal corporation" also includes a public transportation corporation.)

MCL 330.1204a & 330.1210 (S.B. 1006)
124.502 (S.B. 1007)
129.241 (S.B. 1008)
330.1205 (S.B. 1009)
124.1 (S.B. 1010)

Legislative Analyst: P. Affholter

FISCAL IMPACT

Senate Bill 1006

The bill would have no fiscal impact on the State. The State has shifted to a capitated payment system based on caseload, and new organizational arrangements would not affect State funding.

To the degree that a cooperative agreement between a university and a CMH board created efficiencies, a county government could see some savings.

Senate Bill 1007

The bill would have no fiscal impact on State or local government.

Senate Bill 1008

The bill would have no fiscal impact on State or local government.

Senate Bill 1009

The bill would expand the ability of local CMH authorities to borrow money to purchase facilities and equipment, to purchase land, property, and equipment, and to lease facilities and equipment. As the State has moved to a capitated payment system for CMH, the bill would not offset State or local finances.

Senate Bill 1010

The bill would permit intergovernmental contracts between CMH authorities. This would have no fiscal impact on the State but could result in nominal efficiency savings for county governments.

Fiscal Analyst: S. Angelotti