



SENATE BILL No. 233

February 21, 2001, Introduced by Senators BENNETT, STILLE, GOUGEON, JOHNSON and MC MANUS and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2002; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

1 Sec. 101. Subject to the conditions set forth in this bill, the
2 amounts listed in this part are appropriated for the department of
3 consumer and industry services for the fiscal year ending September
4 30, 2002, from the funds identified in this part. The following is a
5 summary of the appropriations in this part:

6 **DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

7 APPROPRIATIONS SUMMARY:

8	Full-time equated unclassified positions.	64.5	
9	Full-time equated classified positions	4,194.4	
10	GROSS APPROPRIATION		\$ 535,631,300
11	Interdepartmental grant revenues:		
12	Total interdepartmental grants and		
13	intradepartmental transfers		111,800
14	ADJUSTED GROSS APPROPRIATION		\$ 535,519,500
15	Federal revenues:		
16	Total federal revenues		240,725,500
17	Special revenue funds:		
18	Total private revenues		740,000
19	Total other state restricted revenues		208,677,200
20	State general fund/general purpose		\$ 85,376,800

21 **Sec. 102. EXECUTIVE DIRECTION**

22	Full-time equated unclassified positions	64.5	
23	Full-time equated classified positions	97.0	
24	Unclassified salaries		\$ 5,621,300
25	Energy office--10.0 FTE positions		2,609,500
26	Executive director programs--12.0 FTE positions .		1,957,100
27	Policy development--13.0 FTE positions		1,706,400
28	Utility consumer representation		550,000
29	Regulatory efficiency improvements/backlog		

1	reduction initiative	750,000
2	MES board of review program--21.0 FTE positions .	1,740,800
3	Bureau of hearings--41.0 FTE positions	<u>4,351,400</u>
4	GROSS APPROPRIATION	\$ 19,286,500
5	Appropriated from:	
6	Federal revenues:	
7	DOE-OEERE, multiple grants	2,165,700
8	DOL-ETA, unemployment insurance	2,154,800
9	DOL, multiple grants for safety and health . . .	158,400
10	Special revenue funds:	
11	Bank fees	190,600
12	Boiler fees	76,000
13	Construction code fund	428,600
14	Consumer finance fees	103,400
15	Corporation fees	503,400
16	Credit union fees	156,800
17	Elevator fees	30,100
18	Fees and collections/asbestos	10,100
19	Health professions regulatory fund	1,280,900
20	Health systems fees and collections	60,300
21	Insurance regulatory fees	603,300
22	Licensing and regulation fees	551,200
23	Liquor license fees	100,000
24	Liquor purchase revolving fund	1,320,800
25	Manufactured housing commission fees	136,000
26	Michigan state housing development authority	
27	fees and charges	362,700
28	Motor carrier fees	27,300
29	Public utility assessments	2,000,500

1	Safety, education and training fund		226,900
2	Second injury fund		67,100
3	Securities fees		157,500
4	Self-insurers security fund		17,700
5	Silicosis and dust disease fund		26,100
6	Utility consumer representation fund		550,000
7	Worker's compensation administrative revolving		
8	fund		57,700
9	State general fund/general purpose	\$	5,762,600
10	Sec. 103. COUNCIL FOR ARTS AND CULTURAL AFFAIRS		
11	Full-time equated classified positions . . . 10.0		
12	Administration--10.0 FTE positions	\$	989,800
13	Arts and cultural grants		<u>25,648,700</u>
14	GROSS APPROPRIATION	\$	26,638,500
15	Appropriated from:		
16	Federal revenues:		
17	NFAH-NEA, promotion of the arts, state and		
18	regional programs		700,000
19	Special revenue funds:		
20	State general fund/general purpose	\$	25,938,500
21	Sec. 104. FIRE SAFETY		
22	Full-time equated classified positions . . . 61.0		
23	Office of fire safety--61.0 FTE positions	\$	<u>4,808,700</u>
24	GROSS APPROPRIATION	\$	4,808,700
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	IDG from department of community health, inspection		
28	contract		111,800
29	Federal revenues:		

1	Federal funds	899,500
2	Special revenue funds:	
3	Fire alarm regulation fees	89,300
4	Fire service fees	2,053,800
5	State general fund/general purpose	\$ 1,654,300
6	Sec. 105. MANAGEMENT SERVICES	
7	Full-time equated classified positions . . 187.0	
8	Administrative services--84.0 FTE positions . . .	\$ 6,046,800
9	Technology support--103.0 FTE positions	13,665,800
10	Health services information systems	750,000
11	Office of financial and insurance services	
12	automation	750,000
13	Building occupancy charges - property	
14	development services	7,731,600
15	Rent	7,554,300
16	Worker's compensation	952,800
17	Special project advances	<u>740,00</u>
18	GROSS APPROPRIATION	\$ 38,191,300
19	Appropriated from:	
20	Federal revenues:	
21	DOL-ETA, unemployment insurance	345,300
22	DOL-multiple grants for safety and health . . .	491,700
23	Federal funds	394,000
24	HHS, federal funds	66,000
25	Special revenue funds:	
26	Private-special project advances	740,000
27	Bank fees	468,100
28	Boiler fee revenue	286,000
29	Construction code fund	1,339,600

1	Consumer finance fees	190,300
2	Corporation fees	2,325,700
3	Credit union fees	340,800
4	Elevator fees	317,600
5	Fees and collections/asbestos	87,400
6	Health professions regulatory fund.	3,433,900
7	Health systems fees and collections	612,300
8	Insurance regulatory fees	1,848,200
9	Licensing and regulation fees	1,963,000
10	Liquor purchase revolving fund	8,648,100
11	Manufactured housing commission fees	303,100
12	Michigan state housing development authority	
13	fees and charges	3,141,400
14	Motor carrier fees	287,000
15	Public utility assessments	2,580,300
16	Safety education and training fund	770,900
17	Second injury fund	526,600
18	Security fees	319,700
19	Self insurers' security fund	139,100
20	Silicosis and dust disease fund	203,500
21	Tax tribunal fees	67,200
22	Worker's compensation administrative revolving	
23	fund	1,384,300
24	State general fund/general purpose	\$ 4,570,200
25	Sec. 106. FINANCIAL AND INSURANCE SERVICES	
26	Full-time equated classified positions	286.0
27	Administration--27.0 FTE positions	\$ 3,008,600
28	Policy and consumer services--29.0 FTE positions	2,291,300
29	Securities regulation--20.0 FTE positions	2,304,400

1	Bank regulation--49.0FTE positions	5,475,200
2	Credit union regulation--43.0 FTE positions	3,802,400
3	Consumer finance regulation--21.0 FTE positions	1,953,500
4	Health plans--15.0 FTE positions	1,348,900
5	Insurance financial evaluation--46.0 FTE	
6	positions	5,144,400
7	Insurance licensing and enforcement--36.0 FTE	
8	positions	<u>3,549,000</u>
9	GROSS APPROPRIATION	\$ 28,877,700
10	Appropriated from:	
11	Federal revenues:	
12	Federal funds	50,600
13	Special revenue funds:	
14	Bank fees	6,297,300
15	Consumer finance fees	2,282,500
16	Credit union fees	4,504,900
17	Insurance continuing education fees	543,300
18	Insurance licensing and regulation fees	2,690,800
19	Insurance regulatory fees	9,682,300
20	Multiple employer welfare arrangement	66,000
21	Securities	2,760,000
22	State general fund/general purpose	\$ 0
23	Sec. 107. PUBLIC SERVICE COMMISSION	
24	Full-time equated classified positions . 143.0	
25	Administration, planning and regulation--143.0 FTE	
26	positions	\$ <u>15,824,300</u>
27	GROSS APPROPRIATION	\$ 15,824,300
28	Appropriated from:	
29	Interdepartmental grant revenues:	

1	Federal revenues:		
2	DOE-OEERE, multiple grants		149,800
3	DOT-RSPA, gas pipeline safety		281,500
4	Special revenue funds:		
5	Motor carrier fees		1,898,800
6	Public utility assessments		13,494,200
7	State general fund/general purpose	\$	0
8	Sec. 108. LIQUOR CONTROL COMMISSION		
9	Full-time equated classified positions		179.0
10	Management support services--39.0 FTE positions	\$	2,927,700
11	Liquor licensing and enforcement--140.0		
12	FTE positions		10,947,600
13	Liquor law enforcement grants		6,000,000
14	Grant to department of agriculture for wine industry		
15	council		<u>457,200</u>
16	GROSS APPROPRIATION	\$	20,332,500
17	Appropriated from:		
18	Special revenue funds:		
19	Liquor license revenue		11,068,600
20	Liquor purchase revolving fund		8,806,700
21	Nonretail liquor license revenue		457,200
22	State general fund/general purpose	\$	0
23	Sec. 109. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY		
24	Full-time equated classified positions		234.0
25	Payments on behalf of tenants	\$	72,000,000
26	Housing and rental assistance program--227.0 FTE		
27	positions		23,224,500
28	Automatic data processing-7.0 FTE positions		1,006,900
29	Homeless program		<u>5,290,800</u>

1	GROSS APPROPRIATION	\$	101,522,200
2	Appropriated from:		
3	Federal revenues:		
4	HUD, lower income housing assistance program . .		86,495,400
5	Special revenue funds:		
6	Michigan state housing development authority		
7	fees and charges		15,026,800
8	State general fund/general purpose	\$	0
9	Sec. 110. TAX TRIBUNAL		
10	Full-time equated classified positions . .	14.0	
11	Operations--14.0 FTE positions	\$	<u>1,654,600</u>
12	GROSS APPROPRIATION	\$	1,654,600
13	Appropriated from:		
14	Special revenue funds:		
15	Tax tribunal fees		635,500
16	State general fund/general purpose	\$	1,019,100
17	Sec. 111. GRANTS		
18	Fire protection grants	\$	<u>7,421,000</u>
19	GROSS APPROPRIATION	\$	7,421,000
20	Appropriated from:		
21	Special revenue funds:		
22	Liquor purchase revolving fund		7,421,000
23	State general fund/general purpose	\$	0
24	Sec. 112. HEALTH REGULATORY SYSTEMS		
25	Full-time equated classified positions . .	344.0	
26	Health systems administration--181.0		
27	FTE positions	\$	17,300,100
28	Nursing home quality incentive grants--3.0 FTE		
29	positions		10,005,500

1	Emergency medical services program state staff--	
2	7.0 FTE positions	900,100
3	Radiological health administration and projects--	
4	24.0 FTE positions	1,997,700
5	Substance abuse program administration-4.0 FTE	
6	positions	412,100
7	Emergency medical services grants and contracts	1,062,100
8	Health services--125.0 FTE positions	<u>13,300,500</u>
9	GROSS APPROPRIATION	\$ 44,978,100
10	Appropriated from:	
11	Federal revenues:	
12	Federal funds	18,404,700
13	Special revenue funds:	
14	Controlled substance license fees	1,353,000
15	Health professions regulatory fund	10,624,100
16	Health systems fees and collections	3,782,100
17	Nurse professional fund	452,000
18	State general fund/general purpose	\$ 10,362,200
19	Sec. 113. REGULATORY SERVICES	
20	Full-time equated classified positions . . 313.0	
21	AFC, children's welfare and day care	
22	licensure--313.0 FTE positions	\$ <u>26,254,900</u>
23	GROSS APPROPRIATION	\$ 26,254,900
24	Appropriated from:	
25	Federal revenues:	
26	HHS, federal funds	10,762,500
27	Special revenue funds:	
28	Health systems fees and collections	156,800
29	Licensing fees	495,500

1	State general fund/general purpose	\$	14,840,100
2	Sec. 114. OCCUPATIONAL REGULATION		
3	Full-time equated classified positions . . 332.0		
4	Commissions and boards	\$	49,700
5	Code enforcement--99.0 FTE positions		7,921,200
6	Code enforcement flexibility		1,181,200
7	Boiler inspection program--18.0 FTE positions . .		1,555,700
8	Elevator inspection program--23.0 FTE positions .		1,870,800
9	Commercial services--154.0 FTE positions		13,818,900
10	Local manufactured housing communities		
11	inspections		250,000
12	Manufactured housing and land resources		
13	program--26.0 FTE positions		2,610,300
14	Property development group--12.0 FTE positions .		1,328,300
15	Remonumentation grants		<u>6,000,000</u>
16	GROSS APPROPRIATION	\$	36,586,100
17	Appropriated from:		
18	Special revenue funds:		
19	Boiler fee revenue		1,703,300
20	Construction code fund		9,488,200
21	Corporation fees		4,889,100
22	Elevator fees		1,979,300
23	Homeowner construction lien recovery fund . . .		1,532,800
24	Licensing and regulation fees		7,341,700
25	Limited liability partnership revenue		10,000
26	Manufactured housing commission fees		2,258,100
27	Property development fees		239,500
28	Remonumentation fees		6,600,500
29	Real estate appraiser continuing education fund		45,000

1	Real estate education fund	217,500
2	State general fund/general purpose	\$ 281,100
3	Sec. 115. EMPLOYMENT RELATIONS	
4	Full-time equated classified positions . . 28.0	
5	Fact finding and arbitration	\$ 144,300
6	Employment and labor relations--28.0 FTE positions	<u>2,996,400</u>
7	GROSS APPROPRIATION	\$ 3,140,700
8	Appropriated from:	
9	Federal revenues:	
10	EEOC, federal funds	10,000
11	Special revenue funds:	
12	State general fund/general purpose	\$ 3,130,700
13	Sec. 116. SAFETY AND REGULATION	
14	Full-time equated classified positions . . 283.0	
15	Commissions and boards	\$ 21,400
16	Employment standards enforcement--39.0 FTE	
17	positions	2,701,900
18	Subgrantees	1,226,900
19	Occupational safety and health--244.0 FTE	
20	positions	<u>21,489,500</u>
21	GROSS APPROPRIATION	\$ 25,439,700
22	Appropriated from:	
23	Federal revenues:	
24	DOL, multiple grants for safety and health . . .	10,946,000
25	Special revenue funds:	
26	Fees and collections/asbestos	694,200
27	Safety education and training fund	6,009,800
28	State general fund/general purpose	\$ 7,789,700
29	Sec. 117. WORKER'S DISABILITY COMPENSATION	

1	Full-time equated classified positions . . .	171.4	
2	Administration--119.0 FTE positions		\$ 8,567,300
3	Board of magistrates administration--8.0 FTE		
4	positions		1,864,700
5	Appellate commission administration-11.4 FTE		
6	positions		874,000
7	Supplemental benefit fund		1,300,000
8	Insurance funds administration--33.0 FTE positions		5,064,000
9	Automatic data processing		506,000
10	Grant to the department of career development -		
11	hire the handicapped program		<u>50,000</u>
12	GROSS APPROPRIATION		\$ 18,226,000
13	Appropriated from:		
14	Special revenue funds:		
15	Second injury fund		3,341,800
16	Self insurers' security fund		911,400
17	Silicosis and dust disease fund		1,366,800
18	Worker's compensation administrative revolving		
19	fund		2,148,700
20	State general fund/general purpose		\$ 10,457,300
21	Sec. 118. UNEMPLOYMENT AGENCY		
22	Full-time equated classified positions . . .	1,512.0	
23	Worker's compensation		\$ 706,200
24	Rent		6,127,100
25	Building occupancy changes - property development		
26	service		3,640,000
27	Unemployment program--1,434.7 FTE positions . .		97,306,000
28	Advocacy assistance program--8.0 FTE positions .		1,550,200
29	Special audit and collections program--34.0 FTE		

1	positions	2,225,600
2	Training program for agency staff--2.1 FTE	
3	positions	2,784,800
4	Expanded fraud control program--33.2 FTE	
5	positions	<u>2,537,600</u>
6	GROSS APPROPRIATION	\$ 116,877,500
7	Appropriated from:	
8	Federal revenues:	
9	DOL, employment and training administration . .	532,500
10	DOL, unemployment insurance	101,457,300
11	Federal Reed act funds	4,259,800
12	Special revenue funds:	
13	Contingent fund, penalty and interest account .	10,627,900
14	State general fund/general purpose	\$ 0
15	Sec. 119. BUDGETARY SAVINGS	
16	Budgetary savings	\$ <u>(429,000)</u>
17	GROSS APPROPRIATION	\$ (429,000)
18	Appropriated from:	
19	Special revenue funds:	
20	State general fund/general purpose	\$ (429,000)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

24 Sec. 201. Pursuant to section 30 of article IX of the state
 25 constitution of 1963, total state spending from state resources under
 26 part 1 for fiscal year 2001-2002 is \$294,054,000.00 and state spending
 27 from state resources to be paid to local units of government for
 28 fiscal year 2001-2002 is \$34,871,000.00. The itemized statement below
 29 identifies appropriations from which spending to units of local

1 government will occur:

2 DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

3	Arts and cultural grants	\$	15,000,000
4	Fire protection grants		7,421,000
5	Liquor law enforcement		6,000,000
6	Local manufactured housing inspections		250,000
7	Remonumentation grants		6,000,000
8	Subgrantees		<u>200,000</u>
9	Total department of consumer and industry		
10	services	\$	34,871,000

11 Sec. 202. The appropriations authorized under this bill are
12 subject to the management and budget act, 1984, PA 431, MCL 18.1101 to
13 18.1594.

14 Sec. 203. As used in this bill:

15 (a) "AFC" means adult foster care.

16 (b) "Department" means the department of consumer and industry
17 services.

18 (c) "DOE" means the United States department of energy.

19 (d) "DOE-OEERE" means the DOE office of energy efficiency and
20 renewable energy.

21 (e) "DOL" means the United States department of labor.

22 (f) "DOL- ETA" means the DOL employment and training
23 administration.

24 (g) "DOL-OSHA" means the DOL occupational safety and health
25 administration.

26 (h) "DOT" means the United States department of transportation.

27 (i) "DOT-RSPA" means the DOT research and special programs
28 administration.

29 (j) "EEOC" means the equal employment opportunity commission.

30 (k) "Fiscal agencies" means Michigan house fiscal agency and

1 Michigan senate fiscal agency.

2 (l) "FTE" means full-time equated.

3 (m) "HHS" means the United States department of health and human
4 services.

5 (n) "HUD" means the United States department of housing and urban
6 development.

7 (o) "IDG" means interdepartmental grant.

8 (p) "MES" means Michigan employment security.

9 (q) "NFAH" means the national foundation of the arts and the
10 humanities.

11 (r) "NFAH-NEA" means the NFAH national endowment for the arts.

12 (s) "OSHA" means the DOL occupational safety and health
13 administration.

14 Sec. 204. The department of civil service shall bill departments
15 and agencies at the end of the first fiscal quarter for the 1% charge
16 authorized by section 5 of article XI of the state constitution of
17 1963. Payments shall be made for the total amount of the billing by
18 the end of the second fiscal quarter.

19 Sec. 205. (1) In addition to the funds appropriated in part 1,
20 there is appropriated an amount not to exceed \$23,500,000.00 for
21 federal contingency funds. These funds are not available for
22 expenditure until they have been transferred to another line item in
23 this bill under section 393(2) of the management and budget act, 1984
24 PA 431, MCL 18.1393.

25 (2) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$12,200,000.00 for state
27 restricted contingency funds. These funds are not available for
28 expenditure until they have been transferred to another line item in
29 this bill under section 393(2) of the management and budget act, 1984
30 PA 431, MCL 18.1393.

1 (3) In addition to the funds appropriated in part 1, there is
2 appropriated an amount not to exceed \$180,800.00 for local contingency
3 funds. These funds are not available for expenditure until they have
4 been transferred to another line item in this bill under section
5 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

6 (4) In addition to the funds appropriated in part 1, there is
7 appropriated an amount not to exceed \$50,000.00 for private
8 contingency funds. These funds are not available for expenditure
9 until they have been transferred to another line item in this bill
10 under section 393(2) of the management and budget act, 1984 PA 431,
11 MCL 18.1393.

12 Sec. 206. Unless otherwise specified, the department shall use the
13 Internet to fulfill the reporting requirements of this bill. This may
14 include transmission of reports via electronic mail to the recipients
15 identified for each reporting requirement, or it may include placement
16 of reports on an Internet or Intranet site. Quarterly, the department
17 shall provide to the appropriations subcommittee members, state budget
18 office, and the fiscal agencies an electronic and paper copy listing
19 of the reports submitted during the most recent 3-month period along
20 with the Internet or Intranet site of each report, if any.

21 Section 207. (1) A hiring freeze is imposed on the state
22 classified civil service. State departments and agencies are
23 prohibited from hiring any new full-time state classified civil
24 service employees and prohibited from filling any vacant state
25 classified civil service positions. This hiring freeze does not apply
26 to internal transfers of classified employees from one position to
27 another within a department.

28 (2) The state budget director shall grant exceptions to this
29 hiring freeze when the state budget director believes that the hiring
30 freeze will result in rendering a state department or agency unable to

1 deliver basic services, cause loss of revenue to the state, result in
2 the inability of the state to receive federal funds, or would
3 necessitate additional expenditures that exceed any savings from
4 maintaining a vacancy. The state budget director shall report by the
5 thirtieth of each month to the chairpersons of the senate and house
6 standing committees on appropriations the number of exceptions to the
7 hiring freeze approved during the previous month and the reasons to
8 justify the exception.

9 Section 208. (1) The negative appropriation for budgetary savings
10 in part 1 shall be satisfied by savings from the hiring freeze imposed
11 in section 207 and, if necessary, by other savings identified by the
12 department director and approved by the state budget director.

13 (2) Appropriation authorizations shall be adjusted after the
14 approval of transfers by the legislature pursuant to section 393(2) of
15 the management and budget act, 1984 PA 431, MCL 18.1393.

16 **DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

17 Sec. 301. The appropriation in part 1 for fire protection grants
18 from the liquor purchase revolving fund shall be appropriated to
19 cities, villages, and townships with state-owned facilities for fire
20 services, instead of taxes, in accordance with 1977 PA 289, MCL
21 141.951 to 141.956.

22 Sec. 302. The funds collected by the office of financial and
23 insurance services in connection with a conservatorship pursuant to
24 section 32 of the mortgage brokers, lenders, and servicers licensing
25 act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses
26 necessary to provide for the required services. Funds are available
27 for expenditure when they are received by the department of treasury
28 and shall not lapse to the general fund at the end of the fiscal year.

29 Sec. 303. The funds collected by the department from corporations
30 being liquidated pursuant to the insurance code of 1956, 1956 PA 218,

1 MCL 500.100 to 500.8302, shall be appropriated for all expenses
2 necessary to provide for the required services. Funds are available
3 for expenditure when they are received by the department of treasury
4 and shall not lapse to the general fund at the end of the fiscal year.

5 Sec. 304. The department may make available to interested entities
6 otherwise unavailable customized listings of nonconfidential
7 information in its possession, such as names and addresses of
8 licensees, and charge for this information as follows: base fee for 1
9 to 1,000 records at the cost to the department; 1,001 to 10,000
10 records at 2.5 cents per record; and 10,001 or more records at .5
11 cents per record. The revenue received from this service may be used
12 to offset expenses of programs as appropriated in part 1. The balance
13 of this revenue collected and unexpended at the end of the fiscal year
14 shall revert to the appropriate restricted revenue account or fund or,
15 in absence of such an account or fund, to the general fund. The
16 department shall submit an annual report on or before June 1, 2002 to
17 the state budget office, and all members of the appropriate
18 subcommittees of the house and senate appropriations committees, that
19 states the amount of revenue received from the sale of information.

20 Sec. 305. The appropriation in part 1 may be used for per diem
21 payments to the members of commissions or boards for a full day of
22 committee work at which a quorum is present or for performing official
23 business as authorized by each respective commission or board within
24 the department of consumer and industry services. The per diem
25 payments shall be \$50.00 per day for all commissions and boards.

26 Sec. 306. (1) The Michigan council for arts and cultural affairs
27 in the department shall administer the arts and cultural grants
28 appropriated in part 1. The council shall provide for fair and
29 independent decisions on arts and cultural grant requests based upon
30 published criteria to evaluate program quality. This criteria shall

1 include a prohibition of art projects that include displays of human
2 wastes on religious symbols, displays of sex acts, and depictions of
3 flag desecration. The council shall seek to award grants on an
4 equitable geographic basis to the extent possible given the quality of
5 grant applications received. Priority shall be given to projects that
6 serve multiple counties and that leverage significant additional
7 public and private investment. Counties, cities, villages, townships,
8 community foundations, and organizations, including science
9 museums/centers, may apply for the following categories of grants:

10 (a) Anchor organization program for organizations that serve a
11 statewide audience. Anchor organizations shall demonstrate a
12 commitment to education, to mentoring smaller organizations, and to
13 reaching underserved audiences.

14 (b) Arts projects program.

15 (c) Arts and learning program.

16 (d) Artists in schools program.

17 (e) Arts organization development program.

18 (f) Capital improvement projects for cities, villages, and
19 townships (CTV) program.

20 (g) Local, regional, or statewide arts agencies services program.

21 (h) Regional regranting program.

22 (i) Partnership program.

23 (j) Discretionary grants program.

24 (k) Rural arts and cultural projects.

25 (2) The council shall establish a regional services provider
26 subcategory within the arts projects program to serve mid-level and
27 larger organizations that serve a regional audience. Organizations
28 receiving grants within this subcategory shall demonstrate that they
29 have regional impact as well as a commitment to education, to
30 mentoring smaller organizations, and to reaching underserved

1 audiences.

2 (3) Potential applicants, including anchor organizations, that are
3 considered ineligible to apply for grants and applicants that are
4 unsuccessful in obtaining a grant shall be provided by the council
5 with the following:

6 (a) A written rationale as to why the potential applicant was
7 considered ineligible or why the applicant's grant was not funded.

8 (b) A description of actions the potential applicant or applicant
9 needs to take in order to become eligible or to receive funding in
10 future years.

11 (4) The council shall distribute the funds appropriated in part 1
12 in a manner which achieves the following criteria:

13 (a) Supports the development of the regional services provider
14 subcategory and provides sufficient funding to organizations meeting
15 the criteria for this subcategory as described in subsection (2) and
16 the council's guidelines.

17 (b) Preserves the funding capacity for the council to provide
18 sufficient funding to new applicants for the anchor organization
19 program that meet the criteria for this category as described in
20 subsection (1)(a) and the council's guidelines.

21 (5) Funds allocated outside of the categories described in
22 subsection (4)(a) and (b) shall be allocated to the remaining grant
23 categories in the same general proportions as the council has
24 allocated funding to these categories in recent fiscal years.

25 (6) The appropriation for arts and cultural grants in part 1 and
26 disbursed under this section shall, at a minimum, be matched on an
27 equal dollar-for-dollar basis from local and private contributions
28 paid and received by each awardee receiving grants under this section.
29 The dollar-for-dollar match may include the reasonable value of
30 services, materials, and equipment as allowed under the federal

1 internal revenue code for charitable contributions subject also to the
2 preapproval of such a match by the Michigan council for arts and
3 cultural affairs. The council shall receive proof of the entire amount
4 of the matching funds, services, materials, or equipment by the end of
5 the award period. The council shall submit a report to the state
6 budget office and all members of the appropriate subcommittees of the
7 house and senate appropriations committees regarding those counties,
8 cities, villages, townships, community foundations, and organizations
9 failing to meet their matching requirements by the end of the award
10 period.

11 (7) Before any amount appropriated for arts and cultural grants in
12 part 1 may be expended for a grant to eligible applicants for the
13 purposes in this section, the department shall execute a grant
14 agreement with each grantee. The grant agreement shall specify the
15 criteria included in this section with which the application complies.
16 The grant agreement shall include a list of the projects funded. All
17 members of the appropriate subcommittees of the house and senate
18 appropriations committees shall receive a summary of the projects
19 funded for each grant recipient by November 1, 2001.

20 (8) By February 1, 2002, the department shall report to the state
21 budget office and all members of the appropriate subcommittees of the
22 house and senate appropriations committees on how the council intends
23 to implement the arts and cultural grants program for the following
24 fiscal year, including the process for evaluating organization
25 quality, efforts to achieve an equitable geographic distribution of
26 grants, and a summary of any revisions to the guidelines for the
27 council's grant programs. The department shall submit copies of the
28 guidelines for each grant category to the state budget office and all
29 members of the appropriate subcommittees by February 1, 2002.

30 (9) The department shall submit a report to the state budget

1 office and all members of the appropriate house and senate
2 appropriations subcommittees and the fiscal agencies by October 1,
3 2001, listing the grant applicants under this section. The report
4 shall include the following:

5 (a) The amount requested by the applicant.

6 (b) Any amount awarded to the applicant.

7 (c) The grant category under which the applicant applied.

8 (d) The county in which the organization resides.

9 (e) The expected number of patrons during the grant period.

10 (f) The amount of matching funds proposed to be contributed by the
11 applicant.

12 (g) The organization's score as determined by the relevant peer
13 review panel during the application evaluation process.

14 (10) By September 1, 2002, the department shall submit to the
15 state budget office, fiscal agencies and to all members of the
16 appropriate house and senate appropriations subcommittees a summary of
17 the regranted awards made by regranteeing organizations from funds
18 appropriated in part 1. For each regranteeing organization, the report
19 shall include the following:

20 (a) The name of each grantee.

21 (b) The amount received by the grantee.

22 (c) The county in which the grantee resides.

23 (11) Counties, cities, villages, townships, community foundations,
24 and organizations receiving funds under this section shall provide the
25 following reports to the Michigan council for arts and cultural
26 affairs and to all members of the appropriate subcommittees of the
27 house and senate appropriations committees and the fiscal agencies:

28 (a) A final report covering the grant period and due within 30
29 days after the end of the grant period indicating at least the
30 following:

1 (i) Revenues and expenditures, indicating whether revenues are
2 from private donations or fees.

3 (ii) Number of employees.

4 (iii) Number of new hires.

5 (iv) Number of patrons attracted during the grant period.

6 (b) For awardees receiving grants greater than \$100,000.00, a copy
7 of the awardee's annual report and audit report for the fiscal year in
8 which the majority of the grant took place due within 90 days after
9 the end of the awardee's fiscal year. The audit report shall include
10 an audit of grant funds. A representative sampling of grant
11 agreements shall be audited by the state auditor general. The audit
12 report shall be submitted to the state budget office and all members
13 of the appropriate subcommittees of the house and senate
14 appropriations committees for review. These awardees shall also
15 submit the information in subdivision (a) on a quarterly basis for the
16 immediately preceding quarter due on January 7, April 7, July 7, and
17 October 7 of each year.

18 (12) The recipients of grant funds under this section shall be
19 announced by the department by October 1, 2001. The department shall,
20 within 1 day following the final council vote, provide all members of
21 the appropriate subcommittees of the house and senate appropriations
22 committees and each legislator whose district is receiving a grant
23 with a list of grant awardees.

24 (13) A grant awarded under this section and the matching funds
25 which conferred eligibility for the grant award shall be used by the
26 recipient of the grant award and shall not be redistributed by that
27 recipient to any other entity unless specifically provided for in the
28 grant agreement between the funded grant awardee and the Michigan
29 council for arts and cultural affairs.

30 (14) The applicants for arts and cultural grant funds shall be

1 charged a nonrefundable application fee of \$100.00 or 1% of the grant,
2 whichever is less. The application fee may be used by the department
3 to recover direct and indirect costs as appropriated in part 1.

4 (15) It is the intent of the legislature that the Michigan council
5 for arts and cultural affairs continue to take appropriate steps to
6 ensure that all organizations receiving state arts anchor organization
7 grants have combined grant awards, as defined in subsection (17), of
8 no more than 15.0% of operating revenue for the fiscal year ending
9 September 30, 2005 and beyond. As used in this subsection, "operating
10 revenue" is defined in the same manner as it was defined during the
11 fiscal year 2001 state arts anchor organization application process.

12 (16) The council shall continue and expand its efforts to
13 encourage and support nonprofit arts and cultural organizations
14 transitioning from solely volunteer-based organizations to
15 professional directed operations. This includes the provision of
16 funds and services from the arts organization development,
17 partnership, arts projects, regional services provider, and regional
18 regranting programs as well as the rural arts and culture initiative
19 to support professional development within these organizations.
20 Criteria for support include the requirement of collaboration between
21 these organizations and other community organizations.

22 (17) Any organizations receiving grants within the anchor
23 organization program category in excess of 10.0% of their operating
24 revenue, as defined in subsection (15), for the fiscal year ending
25 September 30, 2001, shall not receive a combined grant award from all
26 grant categories, except the partnership program, that is greater than
27 the combined grant award from these categories that the organization
28 received for the fiscal year ending September 30, 2001.

29 (18) The council shall make available to an awardee any written
30 comments that are available regarding that awardee's application and

1 peer review process.

2 (19) The council shall provide for fair, equitable, and efficient
3 distribution of funds granted through the regional regranting program.
4 The council shall provide for an annual assessment of grant management
5 and distribution of mini-grant awards by designated regional
6 regranting agencies and review the methodology employed and report
7 these findings to the state budget office and all members of the
8 appropriate house and senate subcommittees of the appropriations
9 committee.

10 (20) The council shall use its best efforts to reestablish an arts
11 organization development program which provides funding for
12 organizations that deliver services to cultural groups and individual
13 artists in all disciplines and that foster long-term development of a
14 community or region. Projects and programs funded through this
15 program shall be designed to strengthen Michigan families and
16 communities by ensuring full public access to quality arts and
17 cultural activities, promoting cultural tourism, and providing for
18 quality arts and cultural education.

19 (21) The council shall use its best efforts to provide total grant
20 awards in the anchor organization program at a level not to exceed 65%
21 of the total amount appropriated for arts and cultural grants.

22 (22) The council shall assess its granting processes and
23 procedures to strengthen consumer and industry access to arts and
24 cultural information, services, and funding opportunities and shall
25 explore new technology applications. The council shall report these
26 findings and shall provide a progress report on steps taken to
27 implement the new initiatives prescribed by the legislature in this
28 section by February 1, 2002, to the state budget office and all
29 members of the appropriate appropriations subcommittees of the house
30 and senate appropriations committees.

1 Sec. 307. The department may receive and expend contributions from
2 public, private, and federal sources, except state agencies, for the
3 purpose of acquiring or constructing art objects or promoting or
4 preserving the arts in or on state properties. Expenditures of any
5 funds received shall be consistent with the purposes of the Faxon-
6 McNamee art in public places act, 1980 PA 105, MCL 18.71 to 18.81. Any
7 funds received under this section are considered a work project
8 account and may be carried forward into the succeeding fiscal year.

9 Sec. 308. The Michigan state housing development authority shall
10 annually present a report to the state budget office and all members
11 of the appropriate subcommittees of the house and senate
12 appropriations committees on the status of the authority's housing
13 production goals under all financing programs established or
14 administered by the authority. The report shall give special
15 attention to efforts to raise affordable multifamily housing
16 production goals.

17 Sec. 309. The department shall assess and collect fees in the
18 licensing and regulation of child care organizations as defined in
19 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities
20 as defined in the adult foster care facility licensing act, 1979 PA
21 218, MCL 400.701 to 400.737. Fees collected by the department shall
22 be used exclusively for the purpose of licensing and regulating child
23 care organizations and adult foster care facilities.

24 Sec. 310. The appropriation in part 1 for the department, bureau
25 of safety and regulation, safety education and training division,
26 includes funding for on-site consultation and education and training
27 programs. The appropriation in part 1 anticipates that 90% of the on-
28 site consultation program costs and 50% of the education and training
29 program costs will be supported by federal OSHA funds and the
30 remaining 10% and 50% respectively will be supported by safety

1 education and training funds. If federal OSHA funding does not become
 2 available to cover up to 90% of the program costs for on-site
 3 consultation and 50% for education and training, up to 50% of the
 4 program costs for on-site consultation and 90% of the program costs
 5 for education and training may be paid from the safety education and
 6 training fund as a match for available federal funds.

7 Sec. 311. The funds collected by the department for licenses,
 8 permits, and other elevator regulation fees set forth in R 408.8151 of
 9 the Michigan administrative code and as determined under section 8 of
 10 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816,
 11 that are unexpended at the end of the fiscal year shall carry forward
 12 to the subsequent fiscal year. The department shall submit a report
 13 on an annual basis to the state budget office, and all members of the
 14 appropriate subcommittees of the house and senate appropriations
 15 committees on the amount of funds available under this section.

16 Sec. 312. If the revenue collected by the department for
 17 occupational safety and health, health systems administration, or
 18 radiological health administration and projects from fees and
 19 collections exceeds the amount appropriated in part 1, the revenue may
 20 be carried forward into the subsequent fiscal year. The revenue
 21 carried forward under this section shall be used as the first source
 22 of funds in the subsequent fiscal year.

23 Sec. 313. Money appropriated under this bill for fire safety
 24 programs shall not be expended unless, in accordance with section 2c
 25 of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and
 26 plan review fees will be charged according to the following schedule:

27 Operation and maintenance inspection fee

28 <u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
29 Hospitals	Any	\$12.00 per bed
30 <u>Plan review and construction inspection fees for hospitals and schools</u>		

<u>Project cost range</u>	<u>Fee</u>
\$101,000.00 or less	minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000	\$1.30 per \$1,000.00
\$10,000,001.00 or more	\$1.10 per \$1,000.00
	or a maximum fee of \$60,000.00.

7 Sec. 314. The department shall furnish the state budget office,
8 clerk of the house, the secretary of the senate, and all members of
9 the house and senate appropriations committees with a summary of any
10 evaluation reports and subsequent approvals or disapprovals of
11 juvenile residential facilities operated by the family independence
12 agency, as required by 1973 PA 116, MCL 722.116. If no evaluations
13 are conducted during the fiscal year, the department shall notify the
14 state budget office, fiscal agencies and all members of the
15 appropriate subcommittees of the house and senate appropriation
16 committees.

17 Sec. 315. (1) From the amount appropriated in part 1 to health
18 systems administration, the department shall provide funding for not
19 less than 113 inspectors to annually survey and investigate the care
20 and services delivered in nursing homes, county medical care
21 facilities, and hospital long-term care units in accordance with
22 provisions in the public health code, 1978 PA 368, MCL 333.1101 to
23 333.25211, and federal Medicare and Medicaid certification standards.

24 (2) The department, in keeping with the severity of the
25 allegations, shall investigate complaints alleging poor care and
26 services occurring on nights or weekends in nursing homes, county
27 medical care facilities, and hospital long-term care units by
28 conducting on-site investigations on nights or weekends.

29 Sec. 316. If the revenue collected by the department from
30 licensing and regulation fees exceeds the amount appropriated in part

1 1, the revenue may be carried forward into the subsequent fiscal year.
2 The revenue carried forward under this section shall be used as the
3 first source of funds in the subsequent fiscal year.

4 Sec. 317. Funds earned or authorized by the United States
5 department of labor in excess of the gross appropriation in part 1 for
6 the Michigan unemployment agency from the United States department of
7 labor are appropriated and may be expended for staffing and related
8 expenses incurred in the operation of its programs. These funds may
9 be spent after the department notifies the state budget office and all
10 members of the appropriate subcommittees of the house and senate
11 appropriations committees of the purpose and amount of each grant
12 award.

13 Sec. 318. The department shall sell documents at a price not to
14 exceed the cost of production and distribution. Money received from
15 the sale of these documents shall revert to the department. The funds
16 are available for expenditure when they are received by the department
17 of treasury and may only be used for costs directly related to the
18 continued updating and distribution of the documents pursuant to this
19 section. This section applies only for the following documents:

20 (a) Corporation and securities division documents, reports, and
21 papers required or permitted by law pursuant to section 1060(5) of the
22 business corporation act, 1972 PA 284, MCL 450.2060.

23 (b) The subdivision control manual, the state boundary commission
24 operations manual, and other local government assistance manuals.

25 (c) The Michigan liquor control code of 1998, 1998 PA 58, MCL
26 436.1101 to 436.2303, with amendments.

27 (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to
28 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to
29 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to
30 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to

1 451.818.

2 (e) Labor law books.

3 (f) Worker's compensation health care services rules.

4 (g) Minimum design standards for health care facilities.

5 Sec. 319. The department shall report to the state budget office,
6 the fiscal agencies and all members of the appropriations
7 subcommittees on March 1, 2002 and September 1, 2002 on the initial
8 and follow-up surveys conducted on all nursing homes in this state.

9 The report shall include all of the following information:

10 (a) The number of surveys conducted.

11 (b) The number requiring follow-up surveys.

12 (c) The number referred to the Michigan public health institute for
13 remediation.

14 (d) The number of citations per home.

15 (e) The number of night and weekend complaints filed.

16 (f) The number of night and weekend responses to complaints
17 conducted by the department.

18 (g) The average length of time for the department to respond to a
19 complaint filed against a nursing home.

20 (h) The number and percentage of citations appealed.

21 (i) The number and percentage of citations overturned and/or
22 modified.

23 Sec. 320. The department, bureau of safety and regulation, shall
24 provide an annual report by February 1 of each year to the state
25 budget office, fiscal agencies and to all members of the appropriate
26 house and senate appropriations subcommittees on the number of
27 individuals killed and the number of individuals injured on the job
28 within industries regulated by the bureau during the preceding
29 calendar year.

30 Sec. 321. The department shall report by November 1, 2001 to the

1 state budget office, the fiscal agencies, and all members of the
2 appropriations subcommittees the status of the nursing home complaint
3 investigation backlog.

4 Sec. 322. As a condition for receiving the general fund/general
5 purpose appropriations in part 1 for health systems administration,
6 the department shall provide assistance to any person making an oral
7 request for a nursing home investigation in putting his or her request
8 into writing, shall initiate investigations on all written nursing
9 home complaints filed with the department within 15 days of receipt of
10 the complaint, and shall provide a written response to the complainant
11 within 30 days of receipt of the written complaint.

12 Sec. 323. The unemployment agency, during its transition to the
13 remote initial claims system, may operate unemployment agency offices,
14 including itinerant or satellite offices, within Michigan's Upper
15 Peninsula to ensure that the citizens of the Upper Peninsula can
16 access these offices without excessive travel or, in cases where
17 unemployment claims are filed or renewed by phone, without excessive
18 long distance toll charges.

19 Sec. 324. The department shall continue to work with grantees
20 supported through the appropriation in part 1 for emergency medical
21 services grants and contracts to ensure that a sufficient number of
22 qualified emergency medical services personnel exist to serve rural
23 areas of the state.

24 Sec. 325. (1) Of the funds appropriated in part 1 to the office of
25 financial and insurance services created under Executive Order No. 4
26 of 2000, the funds allocated to the office of financial and insurance
27 services and the commissioner of the office of financial and insurance
28 services under the insurance code of 1956, 1956 PA 218, MCL 500.100 to
29 500.8302, shall be accounted for separately by the department from any
30 other funds of the office of financial and insurance services and

1 shall be separated and allocated as restricted funds to be held and
2 expended only in the manner provided for under section 225 of the
3 insurance code of 1956, 1956 PA 218, MCL 500.225, and this bill.

4 (2) The director shall report to the state budget office and all
5 members of the appropriate house and senate appropriations
6 subcommittee by February 1, 2002 regarding the expenditures for the
7 previous fiscal year from insurance regulatory fees for the following:

8 (a) The executive direction unit.

9 (b) The management services unit.

10 (c) The salary and expenditures of the commissioner of financial
11 and insurance services.

12 Sec. 326. The department shall semiannually provide for joint
13 training with nursing home surveyors and providers on at least 1 of
14 the 10 most frequently issued federal citations in this state during
15 the past calendar year. The department shall provide a mechanism to
16 measure the effect of the training and shall report to the state
17 budget office and all members of the appropriations subcommittees on
18 the effect of the training by January 15, 2002.

19 Sec. 327. Of the funds appropriated in part 1 for nursing home
20 quality incentive grants, no funds shall be distributed to a nursing
21 home under the program unless that nursing home posts the executive
22 summary of the nursing home's last annual inspection in a conspicuous
23 place within the nursing home for public review.

24 Sec. 328. The unemployment agency shall work collaboratively with
25 the department of career development to ensure each 1-stop center has
26 the ability to assist individuals or respond to inquiries regarding
27 unemployment benefits and the remote initial claims system.

28 Sec. 329. (1) The department shall post on the Internet the
29 executive summary of the latest inspection for each licensed nursing
30 home.

- 1 (2) The department shall work toward posting inspection summaries
- 2 for licensed day care centers on the Internet.