RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

BRIAN CALLEY
LT. GOVERNOR

June 21, 2011

Michigan House of Representatives
State Capitol
Lansing, MI 48909-7536

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4526, which makes appropriations for various departments and agencies, the judicial branch and the legislative branch for the fiscal year ending September 30, 2012. I have, however, disapproved items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific vetoes are detailed in the attached copy of the bill that has been filed with the Secretary of State.

I have disapproved the following appropriations:

- Precollege engineering appropriation contained in section 1053 (Article VIII), within the Department of Treasury, Michigan Strategic Fund. This proposed appropriation deviates from my original fiscal year 2012 spending recommendation that eliminated state funding, as these programs are available in only two locations in the state and receive support from other contributors.

- Special adoption subsidy proposed appropriation of $4,250,000 contained in section 556(2) (Article X), within the Department of Human Services. I object to this item for several reasons. Federal regulations prohibit an adoption subsidy rate that exceeds the rate paid while the child is in foster care; this policy would, therefore, create ongoing obligations at 100 percent general fund cost. In fact, the general fund burden will increase each year as additional children are adopted, since children can receive adoption subsidies until age 19. Furthermore, the revenue used to create the special subsidy for fiscal year 2012 is only available on a one-time basis.

- Study of mental health illnesses in juvenile justice facilities contained in section 717 (Article X), requiring the Department of Human Services to expend funds for a contract with the Michigan Public Health Institute. I disapprove of this item as it requires the department to contract with a specific vendor.

- Surface mining industry proposed appropriation of $80,000 contained in section 342 (Article XII), within the Department of Licensing and Regulatory Affairs. I disapprove of this item as it singles out a specific industry for preferential treatment.

In providing direction to departments in implementing appropriations contained in Enrolled House Bill 4526, I note the following:

- To the extent the following boilerplate sections modify or amend the provisions of existing statutes, these sections are in contravention of Section 25 of Article IV of the Michigan Constitution of 1963 and unenforceable: section 803 (Article I); section 927 (Article V); section 943 (Article VIII); section 727 (Article XII); section 218 (Article XIII); and section 218 (Article XVI).

- To the extent the following boilerplate sections impose conditions with no appropriations included in part 1 of the related Article, the provisions appear to be outside the scope of the title and object of Enrolled House Bill 4526 and are in contravention of Section 24 of Article IV of the Michigan Constitution of 1963 and unenforceable: section 804 (Article I) and section 927 (Article V).

Enrolled House Bill 4526 also contains numerous boilerplate sections that include statements of legislative intent. We will take these legislative preferences into consideration as departments and agencies implement the appropriations. However, these legislative intent statements do not impose conditions on appropriations and are non-binding upon departments and agencies implementing the appropriations.

I thank the Legislature for adopting this omnibus appropriation bill and for presenting Enrolled House Bill 4526 less than four months from the date I originally outlined my spending plan. Much has been achieved in a very short time and I commend the Legislature on its work. I look forward to continued cooperation as we move forward with Michigan's reinvention.

Respectfully,

Rick Snyder
Governor

Attachment
cc: Michigan State Senate
The Honorable Ruth Johnson, Secretary of State

STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2011

Introduced by Rep. Moss

ENROLLED HOUSE BILL No. 4526

AN ACT to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2012; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to provide anticipated appropriations for the fiscal year ending September 30, 2013.

The People of the State of Michigan enact:

ARTICLE I

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

PART 1

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2012, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION SUMMARY		
Full-time equated unclassified positions	2.0	
Full-time equated classified positions	441.0	
GROSS APPROPRIATION		$ 72,219,300
Interdepartmental grant revenues:		
IDG from LARA (LCC), liquor quality testing fees		197,600
IDG from MDNRE, biosolids		100,000
Total interdepartmental grants and intradepartmental transfers		297,600
ADJUSTED GROSS APPROPRIATION		$ 71,921,700
Federal revenues:		
USDA, multiple grants		10,873,300
EPA, multiple grants		1,635,700
HHS-FDA		1,203,900
United States department of labor		471,800

Sec. 1051. The fund shall compile information received from community colleges on North American Indian tuition waivers granted pursuant to 1976 PA 174, MCL 390.1251 to 390.1253, and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by February 15.

Sec. 1052. The fund shall compile information received from community colleges on the number and types of associate degrees and other certificates awarded during the previous fiscal year and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by January 15.

~~Sec. 1058. From the funds appropriated in part 1, the fund shall allocate an amount not to exceed $680,100.00 for the Detroit precollege engineering program and the Grand Rapids area precollege engineering program, which were appropriated funds under 2005 PA 166.~~

Sec. 1054. From the funds appropriated in part 1 for workforce programs subgrantees, the fund may allocate funding for grants to nonprofit organizations that offer programs to workforce investment act - eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. Organizations eligible for funding under this section must have the capacity to provide similar programs in urban areas, as determined by the United States bureau of the census according to the most recent federal decennial census. Additionally, programs eligible for funding under this section must include the participation of local business partners. The fund shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

MICHIGAN STRATEGIC FUND - WORKFORCE DEVELOPMENT

Sec. 1060. The fund shall administer the jobs, education, and training program in accordance with the requirements of section 407(d) of title IV of the social security act, 42 USC 607, the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 1061. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, parents of public school pupils, and, at the board's discretion, representatives of organizations that provide school-based curriculum and youth programs focusing on entrepreneurship, work-readiness skills, and financial literacy.

Sec. 1062. The fund shall make available, in person or by telephone, 1 disabled veterans outreach program specialist or local veterans employment representative to Michigan works! service centers, as resources permit, during hours of operation, and shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 1063. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The fund shall report by January 15 to the subcommittees, the fiscal agencies, and the state budget office on the amount by fiscal year of federal workforce investment act funds appropriated under this section.

Sec. 1064. Of the funds appropriated in part 1 for workforce training programs, up to $200,000.00 shall be allocated for grants to 2 workforce development programs, meeting the following criteria:

(a) Up to $100,000.00 shall be allocated to 1 nonprofit organization to expand an existing innovative, employer-led, public/private workforce development program. Grant funds may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(*i*) Provide program participants with early intervention services that promote employment stabilization and alleviate barriers to job attainment, retention, or advancement, including assistance with transportation, language barriers, childcare, housing, and facilitating access to services available through public agencies and community-based organizations.

Sec. 537. The department, in collaboration with child placing agencies, shall develop a strategy to implement section 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 115o of the social welfare act, 1939 PA 280, MCL 400.115o.

Sec. 539. The department shall work in collaboration with representatives from child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the child placing agencies shall focus on statewide placement criteria to address the best interests of the child in need of services. The placement criteria shall include a continuum of care settings and options as appropriate for each child and his or her needs at specific times, including home placements, relative placements, shelter placements, and other options.

Sec. 546. (1) From the money appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of foster care services not less than a $37.00 administrative rate.

(2) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of general independent living services not less than a $28.00 administrative rate. For specialized independent living services, the administrative rate paid shall be reduced by 50% of the difference between the general independent living administrative rate and the specialized independent living rate paid in the fiscal year ending September 30, 2009.

Sec. 556. (1) The department shall submit a quarterly report by February 1, May 1, August 1, and November 1 of each fiscal year to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the senate and house policy offices that includes all of the following:

(a) A description of how the department is complying with federal requirements to notify prospective adoptive parents about adoption subsidies for which those prospective adoptive parents may qualify.

(b) The number of requests received by the department from adoptive parents for money or reimbursement of costs to attend conferences that include training or discussion of significant adoption issues, the proportion of these requests approved by the department, and the total annual expenditure for approved requests.

(c) The number of fair hearing requests from adoptive parents received by the department challenging the amount of the adoption subsidy, broken down by the stated reason for the challenge.

(d) The number of adoption subsidy payments suspended when the child is still in the custody of the adoptive parent, but no longer in the physical care of the adoptive parent.

~~(2) From the money appropriated in part 1 for adoption subsidies, $4,250,000.00 in state general fund/general purpose revenues shall not be expended until the department provides proposed legislation to the senate and house standing committees with primary jurisdiction over matters relating to human services, the senate and house appropriations subcommittees on the department budget, senate and house fiscal agencies, and senate and house policy offices that would allow adoptive parents up to 1 year after an adoption has been finalized to submit a request to revise the determination of care supplement for an adopted child who has previously existing special needs or request a new determination~~.

(3) The department shall provide an annual report to the subcommittees of the senate and house appropriations committees on the department budget with the number of complaints filed by adoptive parents who were not notified that their adopted child had special needs.

Sec. 570. From the money appropriated in part 1 for the guardianship assistance program, the department shall provide assistance under this program to children who are eligible under section 3 of the guardianship assistance act, 2008 PA 260, MCL 722.873.

Sec. 574. (1) From the money appropriated in part 1 for foster care payments, $2,500,000.00 is allocated to support contracts with child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive $2,300.00 for each facilitated licensure. The agency facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.

(2) From the money appropriated for foster care payments, $375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers to assist with home improvements or payment for physical exams for applicants needed by foster families to accommodate foster children.

(2) It is the intent of the legislature that the department achieve $5,000,000.00 in savings through the child development and care program by improving the error rates for income verification and income eligibility.

Sec. 686. (1) The department shall ensure that program policy requires caseworkers to confirm that individuals presenting personal identification issued by another state seeking assistance through the family independence program, food assistance program, state disability assistance program, or medical assistance program are not receiving benefits from any other state.

(2) The department shall require caseworkers to confirm the address provided by any individual seeking family independence program benefits or state disability assistance benefits.

(3) The department shall prohibit individuals with property assets assessed at a value higher than $500,000.00 from accessing assistance through department-administered programs, unless such a prohibition would violate federal rules and guidelines.

(4) The department shall require caseworkers to obtain an up-to-date telephone number during the eligibility determination or redetermination process for individuals seeking medical assistance benefits. On a monthly basis, the department shall provide the department of community health an updated list of telephone numbers for medical assistance recipients.

Sec. 696. From the money appropriated in part 1, the department shall allocate $100,000.00 to the Chaldean community foundation. This money shall be utilized to provide translation services, health care services, youth tutoring and mentoring programs, and refugee resettlement services.

JUVENILE JUSTICE SERVICES

Sec. 706. Counties shall be subject to 50% chargeback for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. (1) As a condition of receiving money appropriated in part 1 for the child care fund line item, by December 15 of the current fiscal year, counties shall have an approved service spending plan for the current fiscal year. Counties must submit the service spending plan to the department by October 1 of the current fiscal year for approval. The department shall approve within 30 calendar days after receipt a properly completed service plan that complies with the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

(2) The department shall provide a report on the number of counties that fail to submit a service spending plan by October 1 of the current fiscal year. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices by December 15 of the current fiscal year.

Sec. 710. The department, the county of Wayne, and the third circuit court may rewrite the memorandum of understanding (MOU) that permits the county of Wayne to manage its juvenile justice system so that the MOU takes into account all interested parties, including, but not limited to, the legislature.

~~Sec. 717. (1) The department shall contract using private revenues with the Michigan public health institute to conduct a behavioral health study of juvenile justice facilities operated or contracted for by the state. The study shall utilize diagnostic clinical interviews with and records reviews for a representative random sample of juvenile justice system detainees to develop a report on each of the following:~~

(a) ~~The proportion of juvenile justice detainees with a primary diagnosis of emotional disorder, the percentage of those detainees considered to currently require mental health treatment, and the proportion of those detainees currently receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those detainees.~~

~~(b) The proportion of juvenile justice detainees with a primary diagnosis of addiction disorder, the percentage of those detainees considered to currently require substance abuse treatment, and the proportion of those detainees currently receiving substance abuse services, including a description and breakdown, encompassing, at a minimum, the categories of residential and outpatient care, of the type of substance abuse services provided to those detainees.~~

~~(e) The proportion of juvenile justice detainees with a dual diagnosis of emotional disorder and addiction disorder, the percentage of these detainees considered to currently require treatment for their condition, and the proportion of these detainees currently receiving that treatment, including a description and breakdown, encompassing, at a minimum, the categories of mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, and substance abuse outpatient, of the type of treatment provided to these detainees.~~

~~(d) Data indicating whether juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder were previously hospitalized in a state psychiatric hospital for persons with mental illness. These data shall be broken down according to each of these 3 respective categories.~~

~~(e) Data indicating whether and with what frequency juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder have been detained previously. These data shall be broken down according to each of these 3 respective categories.~~

~~(f) Data classifying the types of offenses historically committed by juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder. These data shall be broken down according to each of these 3 respective categories.~~

~~(g) Data indicating whether juvenile justice detainees have previously received services managed by a community mental health program or substance abuse coordinating agency. These data shall be broken down according to the respective categories of detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder.~~

~~(2) The report referenced under subsection (1) would be provided not later than June 30 of the current fiscal year to the senate and house appropriations subcommittees on human services, the senate and house fiscal agencies and policy offices, and the state budget director.~~

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status, including the licensed bed capacity and operating bed capacity, of a state juvenile justice facility.

Sec. 724. The department shall establish a work group to study the feasibility of contracting out the juvenile justice secure treatment beds for males and females operated by the department's bureau of juvenile justice to private nonprofit child caring institutions that are nationally accredited and licensed in this state. The work group shall include, but not be limited to, the department, members of the house and senate appropriations subcommittees on the department budget, and representatives of 2 statewide organizations whose members consist of private nonprofit child caring institutions.

LOCAL OFFICE SERVICES

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations, community mental health agencies, nursing homes, and hospitals unless a community-based organization, community mental health agency, nursing home, or hospital requests that the program be discontinued at its facility.

Sec. 753. By January 1, 2012, the department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1 of the current fiscal year on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including timelines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

CHILD SUPPORT ENFORCEMENT

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of $26,500,000.00.

(2) From the federal money received for child support incentive payments, $12,000,000.00 shall be retained by the state and expended for child support program expenses.

Sec. 304. The department may make available to interested entities customized listings of nonconfidential information in its possession, such as names and addresses of licensees. The department may establish and collect a reasonable charge to provide this service. The revenue received from this service shall be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted fund.

Sec. 320. If the revenue collected by the department from licensing and regulation fees collected by the bureau of commercial services exceeds the amount expended from appropriations in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 330. Funds earned or authorized by the DOL in excess of the gross appropriation in part 1 for the unemployment insurance agency from the DOL are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget director and the subcommittees of the purpose and amount of each grant award.

Sec. 332. The unemployment insurance agency shall provide the subcommittees, fiscal agencies, and state budget office with quarterly status reports on the development of the agency's integrated system project. The quarterly status reports shall include, but not be limited to, a summary of the expenditures for the project, project budget information, a summary of the tasks completed and milestones reached to date, the percentage of the total project completed to date, and a summary of the tasks anticipated to be completed in the subsequent quarter.

Sec. 333. The department shall report quarterly to the members of the house and senate committees on appropriations, the fiscal agencies, and the state budget director on the percentage of unemployment claimants that meet the certification requirements for receiving benefits by using the Internet MARVIN system. The department shall implement improvements to the Internet MARVIN system that promote greater ease of access and security with a goal of reaching 50% of users certifying by using the Internet MARVIN system.

Sec. 340. MIOSHA shall provide an annual report by February 1 of each year to the state budget director, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 341. The department shall not promulgate or adopt a rule more stringent than the applicable federal standard unless specifically authorized by statute.

~~Sec. 342. From the funds appropriated in part 1 for Michigan occupational safety and health consultation education and training (CET) grants, not less than $80,000.00 shall be allocated to nonprofit organizations representing the mining industry in Michigan.~~

Sec. 361. (1) The public service commission shall report by November 1 to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

(2) The funds collected from public utilities for low-income energy efficiency fund grants as provided under orders issued by the public service commission pursuant to 1939 PA 3, MCL 460.1 to 460.11, that are unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 368. No later than March 1, the department shall submit a report to the state budget office, the fiscal agencies, and the subcommittees, providing expenditure and revenue data and statistical data on licensing and regulatory activities of the bureau of commercial services and the bureau of construction codes during the previous fiscal year. To the extent possible, the data required shall be reported for each individual occupation, trade, or industry regulated.

Sec. 380. Funds remaining in the homeowner construction lien recovery fund are appropriated to the department for payment of court-ordered homeowner construction lien recovery fund judgments entered prior to August 23, 2010. Pursuant to available funds, the payment of final judgments shall be made in the order in which the final judgments were entered and began accruing interest.

Sec. 390. The Michigan tax tribunal and the Michigan administrative hearing system shall submit a report on the number of cases heard and the number of cases decided by MAHS hearings officers, contractual hearings officers, and tribunal members during the fiscal year. The report shall also include information on case filings and dispositions, the number of active and pending cases before the small claims division and the entire tribunal, and the agencies' plan to eliminate the backlog of cases. The report shall be submitted to the subcommittees, fiscal agencies, and state budget office not later than November 1, 2012.

This act is ordered to take immediate effect.

Clerk of the House of Representatives

Secretary of the Senate

Approved 6/21/11 3:15 PM

Governor

Recycled Paper