

POLICIES AND PROCEDURE MANUAL

Chapter:	Finance		
Title:	Use of Public Act 2 Dollars		
Policy: <input checked="" type="checkbox"/> Procedure: <input type="checkbox"/> Page: 1 of 2	Review Cycle: Biennial Author: Chief Executive Officer Chief Financial Officer	Adopted Date: 01.05.2016 Review Date: 05.13.2025	Related Policies: Financial Management

Purpose

Per Public Act 206 of 1893, Section 24e, Paragraph 11, as amended, Mid-State Health Network (MSHN) receives liquor tax funds, also known as PA2 funds, from each of the counties in the region. The funds are for local use in treatment, intervention and prevention of substance use disorder (SUD) services. This policy stipulates the authority for and the approved use of PA2 funds.

Policy

Pursuant to and in accordance with MCL 211.24e, MSHN shall receive, administer and use PA2 funds in accordance with the law and at the direction of the Substance Use Disorder (SUD) Oversight Policy Advisory Board (OPB). PA2 funds shall be accounted for by county of origin and shall be used exclusively in the county from which they were derived. PA2 fund balances must be accounted for by each county and planned use must occur in the county of origin. Interest income from PA2 funds is considered local income and, at the direction of the SUD OPB, must be used to support SUD treatment, intervention and prevention activities or the related proportionate share of administrative costs.

MCL 211.24e: (11) If the sum of a county's operating property tax levy for the ensuing fiscal year plus the county's distribution to be received pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630, exceeds the product of the county's taxable value for the ensuing fiscal year times the greater of the county's base tax rate or concluding fiscal year's operating millage rate, then an amount equal to the lesser of 40% of the excess or 40% of the state convention facility development act distribution shall be used for substance abuse treatment programs within the county. The proceeds received by the taxing unit shall be distributed to the coordinating agency designated for that county pursuant to section 6226 of the public health code, 1978 PA 368, MCL 333.6226, and used only for substance abuse prevention and treatment programs in the county from which the proceeds originated.

At least annually the SUD OPB shall approve a plan and budget for the use of PA2 funds. The plan and budget shall include the amount of planned funding to be expended; the intended purpose for SUD treatment, intervention or prevention; and the identified primary contractor(s). The MSHN Chief Financial Officer (CFO) shall prepare and provide the SUD OPB with a bi-monthly report of PA2 funds received and disbursed.

Applies to:

- ☒ All Mid-State Health Network Staff
- ☐ Selected MSHN Staff, as follows:
- ☐ MSHN's CMHSP Participants: ☐ Policy Only ☐ Policy and Procedure
- ☒ Other: MSHN SUD Oversight Policy Board

Definitions:

CFO: Chief Financial Officer
MSHN: Mid-State Health Network
OPB: Oversight Policy Advisory Board
PA2 Funds: Public Act 2 Liquor Tax Funds
SUD: Substance Use Disorder

Other Related Materials:

N/A

References/Legal Authority:

Public Act 206 of 1893, Section 24e, Paragraph 11, as amended; MCL 211.24e

Michigan Department of Health and Human Services Contract for 1115 Behavioral Health Demonstration Waiver Program, the Health Michigan Plan and relevant approved Waivers (Children's Waiver Program (CWP), Habilitation Supports Waiver (HSW), Serious Emotional Disturbance (SED))

Change Log:

Date of Change	Description of Change	Responsible Party
TBD	New Policy	Chief Executive Officer
11.06.15	Update Policy – Original not Board approved	Chief Financial Officer
03.20.17	Policy Update	Chief Financial Officer
03.2018	Policy Update	Chief Financial Officer
03.2019	Annual Review	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer
12.2024	Biennial Review	Chief Financial Officer
4.2025	Biennial Update	Chief Financial Officer