No. 57
STATE OF MICHIGAN

# Journal of the Senate

98th Legislature
REGULAR SESSION OF 2016

Senate Chamber, Lansing, Wednesday, June 8, 2016.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor Brian N. Calley.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Ananich—present
Bieda—present
Booher—present
Brandenburg—present
Casperson—present
Colbeck—present
Emmons—present
Green—present
Gregory—present
Hansen—present
Hertel—present
Hildenbrand—present
Hood—present
Hopgood—present
Horn—present
Hune—present
Johnson—present
Jones—present
Knezek—present
Knollenberg—present
Kowall—present
MacGregor—present
Marleau—present
Meekhof—present
Nofs—present
O'Brien—present
Pavlov—present
Proos—present
Robertson—present
Rocca—present
Schmidt—present
Schuitmaker—present
Shirkey—present
Stamas—present
Warren—present
Young—present
Zorn—present

Senator John M. Proos of the 21st District offered the following invocation:

Heavenly Father, as we gather today in the Michigan Senate, we ask humbly for Your grace, Your wisdom, and Your divine intervention in the decisions that we make today; that we may be worthy of the many blessings that You have provided for us and for our families.

We thank You for these many graces, and we remember in today's Gospel from Matthew 5:17-19, where Jesus stated: "Do not think that I have come to abolish the law or the prophets; I have come not to abolish but to fulfill. Amen, I say to you, until heaven and earth pass away, not the smallest letter or the smallest part of the letter will pass from the law, until all things have taken place. Therefore, whoever breaks one of the least of these commandments and teaches others to do so will be called least in the kingdom of heaven; but whoever obeys and teaches these commandments will be called the greatest in the kingdom of heaven."

Lord, help us to keep these commandments so that we may come closer to You and the promise of eternal salvation in Your word, and we may indeed reach the blessings of the kingdom of heaven. Lord, we humbly ask for Your protection for those men and women who serve our nation in defense of liberty and freedom.

We ask this through our Lord Jesus Christ, Your Son, who lives and reigns with You in the unity of the Holy Spirit, our God, for ever and ever. Amen.

The President, Lieutenant Governor Calley, led the members of the Senate in recital of the *Pledge of Allegiance*.

## Motions and Communications

Senators O'Brien, Emmons and Knollenberg entered the Senate Chamber.

Senator Kowall moved that Senators Brandenburg, Casperson, Hansen and Marleau be temporarily excused from today's session.

The motion prevailed.

Senator Hood moved that Senators Ananich, Johnson and Young be temporarily excused from today's session.

The motion prevailed.

Senator Kowall moved that rule 3.902 be suspended to allow the guests of Senator Brandenburg admittance to the Senate floor.

The motion prevailed, a majority of the members serving voting therefor.

Senators Casperson, Brandenburg, Hansen, Ananich and Marleau entered the Senate Chamber.

Senator Kowall moved that the Committee on Local Government be discharged from further consideration of the following bill:

**Senate Bill No. 979, entitled**

A bill to provide for the establishment of municipal recovery and development authorities in certain local governments; to provide for the powers and duties of a municipal recovery and development authority; to authorize the levy and collection of a property tax by a municipal recovery and development authority; to provide for the issuance of bonds, notes, and other obligations; to authorize certain investments; and to provide for the powers and duties of certain government officials.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Kowall moved that the bill be referred to the Committee on Government Operations.

The motion prevailed.

Senator Kowall moved that rule 2.106 be suspended to allow committees to meet during Senate session.

The motion prevailed, a majority of the members serving voting therefor.

The Secretary announced that the following House bills were received in the Senate and filed on Tuesday, June 7:

**House Bill Nos. 5102 5215 5613**

The Secretary announced that the following bills were printed and filed on Tuesday, June 7, and are available at the Michigan Legislature website:

**Senate Bill Nos. 1013 1014 1015 1016 1017 1018 1019**
**House Bill Nos. 5722 5723 5724 5725 5726**

By unanimous consent the Senate proceeded to the order of

**Resolutions**

Senator Kowall moved that consideration of the following resolutions be postponed for today:

**House Concurrent Resolution No. 3**

**Senate Resolution No. 76**

**Senate Resolution No. 75**

**Senate Concurrent Resolution No. 30**

The motion prevailed.

Senator Knollenberg offered the following resolution:

**Senate Resolution No. 188.**

A resolution to commemorate July 15, 2016, as Leiomyosarcoma Awareness Day.

Whereas, Leiomyosarcoma (LMS) is one of the forms of a very rare and aggressive cancer, or sarcoma, that originates in the smooth or involuntary muscle tissue; and

Whereas, LMS affects only 6 out of every 1 million people, but is highly aggressive and likely to infect other areas of the body, including the lungs, liver, or lymph nodes; and

Whereas, As a soft tissue sarcoma, LMS is highly resistant to many chemotherapeutic agents and radiation treatments; and

Whereas, Most LMS patients choose to be cared for by a multidisciplinary team of health professionals, and it is extremely important to get help with this rare form of cancer from a sarcoma center which sees a large number of leiomyosarcoma patients; and

Whereas, Many local oncologists rarely see more than one or two cases of LMS in their entire career, and most sarcoma centers will work with local oncologists to help make the best choices for patient care; and

Whereas, We hereby recognize and express our gratitude to the individuals, families, friends, and caregivers dealing with LMS, as well as the doctors and researchers who are seeking a cause or cure; and

Whereas, The state of Michigan recognizes the efforts of the Leiomyosarcoma Direct Research Foundation and the National Leiomyosarcoma Foundation to assure the development of the means to cure and control LMS and to improve the quality of life for those with this disease until the cure is found; and

Whereas, Michigan residents are encouraged to tweet, post, and share their stories and images using the #lmsarcoma hashtag on Twitter, Facebook, Instagram, and other social media platforms; and

Whereas, Leiomyosarcoma Awareness Day helps educate communities about LMS cancer and increases the awareness that surrounds it. The importance of education and knowledge about the disease cannot be overstated and contributes to the ability to lead a healthy, balanced, and productive life; and

Whereas, The Michigan Legislature is strongly dedicated to preserving the health of the residents of this state and in supporting the fight against leiomyosarcoma; now, therefore, be it

Resolved by the Senate, That the members of this legislative body hereby commemorate July 15, 2016, Leiomyosarcoma Awareness Day in the state of Michigan. We encourage increased public awareness and promotion of treatment and recovery.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations,

Senator Kowall moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The resolution was adopted.

Senators Bieda, Booher, Brandenburg, Gregory, Hansen, Hildenbrand, Jones, Kowall, Proos, Warren and Zorn were named co-sponsors of the resolution.

Senator Shirkey offered the following resolution:

**Senate Resolution No. 189.**

A resolution recognizing June 20-26, 2016, as Pollinator Week.

Whereas, Pollinator Week will present opportunities to highlight the importance of pollinators; stress the negative ramifications of continued pollinator loss; and encourage the awareness and use of pollinator best practices; and

Whereas, Pollinating animals are essential parts of our ecosystem and a critical component to our planet's food security; and

Whereas, Farmers depend on pollinator species, such as honey bees, butterflies, birds, and bats to successfully produce approximately one-third of all agricultural output in the United States and 50 percent of Michigan's agricultural output; and

Whereas, Pollinator loss poses a significant threat to United States agriculture and the ability of farmers and rural gardeners to feed both themselves and a growing world population; and

Whereas, Urban and rural beekeepers play an important role in state and federal agricultural production and the preservation of honey bees, which have seen their natural numbers decline to near crisis levels in recent years due to a combination of factors; and

Whereas, Michigan is a leader in honey production and many pollinator-dependent crops, including apples, cranberries, blueberries, and cherries. Agriculture is a key driver of not just Michigan's agriculture, agritourism, and farm-to-table industries, but also rural economies across the United States; and

Whereas, The state of Michigan recognizes the serious threats posed by pollinator loss and the key role state stakeholders play in providing guidance on best apiary management and stewardship practices, proper use of pesticide products, and technical assistance to farmers and other private landowners; now, therefore, be it

Resolved by the Senate, That the members of this legislative body recognize June 20-26, 2016, as Pollinator Week in the state of Michigan; and be it further

Resolved, That we encourage the people of the great state of Michigan to build support for protecting and sustaining pollinators through increased awareness and the implementation of pollinator-friendly best practices that enhance their habitat and strengthen our food supply.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations,

Senator Kowall moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The resolution was adopted.

Senators Bieda, Booher, Brandenburg, Gregory, Hansen, Hildenbrand, Jones, Knollenberg, Kowall, Proos, Warren and Zorn were named co-sponsors of the resolution.

Senator O'Brien offered the following resolution:

**Senate Resolution No. 190.**

A resolution designating June 27, 2016, as Post-Traumatic Stress Injury Awareness Day.

Whereas, The brave men and women of the United States Armed Forces who proudly serve risk their lives to protect the freedoms of the United States and deserve the investment of every possible resource to ensure their lasting physical, mental, and emotional well-being; and

Whereas, More than 2 million United States service members have deployed as part of overseas contingency operations since the events of September 11, 2001; and

Whereas, The military has sustained an operational tempo for a period of time unprecedented in the history of the United States, with many service members deploying multiple times to combat zones, placing them at high risk of post-traumatic stress injury (PTSI); and

Whereas, It is expected that 10,000 veterans will return to the state of Michigan every year for the next three to five years after spending a significant amount of time in combat environments, exposing thousands of soldiers to traumatic life-threatening events; and

Whereas, The United States Department of Veterans Affairs reports that in fiscal year 2012, more than 500,000 veterans from all wars sought care at a Department of Veterans Affairs medical center and received treatment for PTSI; and

Whereas, PTSI significantly increases the risk of depression, suicide, drug- and alcohol-related disorders, and death; and

Whereas, The Department of Defense and the Department of Veterans Affairs have made significant advances in the prevention, diagnosis, and treatment of PTSI, including the symptoms of PTSI, and many challenges remain; and

Whereas, The establishment of a Michigan Post-Traumatic Stress Injury Awareness Day will raise public awareness about issues related to PTSI; now, therefore, be it

Resolved by the Senate, That the members of this legislative body designate June 27, 2016, as Post-Traumatic Stress Injury Awareness Day in the state of Michigan; and be it further

Resolved, That we urge the Michigan Veterans Affairs Agency and the Adjutant General to continue working to educate service members, veterans, the families of service members and veterans, and the public about the causes, symptoms, and treatment of post-traumatic stress injury; and be it further

Resolved, That a copy of this resolution be transmitted to the Governor of the state of Michigan, the Michigan Veterans Affairs Agency, and the Adjutant General.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations,

Senator Kowall moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The resolution was adopted.

Senators Bieda, Booher, Brandenburg, Gregory, Hansen, Hildenbrand, Jones, Knezek, Knollenberg, Kowall, Proos, Warren and Zorn were named co-sponsors of the resolution.

Senator Hertel offered the following resolution:

**Senate Resolution No. 191.**

A resolution to commemorate the weekend of July 29, 2016, as Muscular Dystrophy Association (MDA)-Michigan Professional Fire Fighters Union Fill the Boot Weekend in Michigan.

Whereas, Firefighters have long been America's heroes who risk their lives for the safety and well-being of the communities they serve; and

Whereas, Firefighters have one of the most hazardous professions, requiring extensive training, strength, endurance, courage, and a selfless concern for the welfare of Michigan's citizens; and

Whereas, For over 60 years, the International Association of Fire Fighters (IAFF) has partnered with the Muscular Dystrophy Association (MDA) in the fight against neuromuscular diseases; and

Whereas, Since 1954, IAFF members have shown an unwavering commitment to defeating muscular dystrophy and related life-threatening diseases; and

Whereas, Due to their service and dedication to the MDA, firefighters from the Michigan Professional Fire Fighters Union have raised more than $4.1 million to find a cure to fight these neuromuscular diseases; and

Whereas, Funds are raised primarily through MDA's signature Fill the Boot campaign, in which member firefighters gather on streets across the country collecting money in their boots from neighbors and passersby; now, therefore, be it

Resolved by the Senate, That the members of this legislative body commemorate the weekend of July 29, 2016, as MDA-Michigan Professional Fire Fighters Union Fill the Boot Weekend in Michigan; and be it further

Resolved, That this legislative body applauds the dedicated service and contribution firefighters provide to the residents of Michigan and the Muscular Dystrophy Association; and be it further

Resolved, That copies of this resolution be transmitted to the Michigan Professional Fire Fighters Union and the Muscular Dystrophy Association as a token of our appreciation.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations,

Senator Kowall moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The resolution was adopted.

Senators Bieda, Booher, Brandenburg, Gregory, Hansen, Hildenbrand, Hood, Jones, Knollenberg, Kowall, Proos, Warren and Zorn were named co-sponsors of the resolution.

## Recess

Senator Kowall moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 10:10 a.m.

10:28 a.m.

The Senate was called to order by the President, Lieutenant Governor Calley.

During the recess, Senator Young entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of

## General Orders

Senator Kowall moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Calley, designated Senator Hansen as Chairperson.

After some time spent therein, the Committee arose; and the President, Lieutenant Governor Calley, having resumed the Chair, the Committee reported back to the Senate, favorably and with amendments, the following bill:

**House Bill No. 5457, entitled**

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 237 (MCL 208.1237).

The following are the amendments recommended by the Committee of the Whole:

1. Amend page 2, line 11, after "**(3)**" by inserting "**FOR THE 2016 TAX YEAR ONLY, AN INSURANCE COMPANY SHALL ONLY INCLUDE IN THE CALCULATION OF A CREDIT UNDER THIS SECTION 35% OF THE AMOUNTS PAID TO THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY THAT ARE ATTRIBUTABLE TO THE ASSIGNED CLAIMS PLAN APPROVED UNDER CHAPTER 31 OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.3101 TO 500.3179.**".

2. Amend page 2, line 11, after "**JANUARY 1,**" by striking out "**2016**" and inserting "**2017**".

The Senate agreed to the amendments recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendments, the following bill:

**House Bill No. 5458, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 637 (MCL 206.637), as added by 2011 PA 38.

The following are the amendments recommended by the Committee of the Whole:

1. Amend page 2, line 11, after "**(3)**" by inserting "**FOR THE 2016 TAX YEAR ONLY, AN INSURANCE COMPANY SHALL ONLY INCLUDE IN THE CALCULATION OF A CREDIT UNDER THIS SECTION 35% OF THE AMOUNTS PAID TO THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY THAT ARE ATTRIBUTABLE TO THE ASSIGNED CLAIMS PLAN APPROVED UNDER CHAPTER 31 OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.3101 TO 500.3179.**".

2. Amend page 2, line 11, after "**JANUARY 1,**" by striking out "**2016**" and inserting "**2017**".

The Senate agreed to the amendments recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

**Third Reading of Bills**

Senator Kowall moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage at the head of the Third Reading of Bills calendar:

**House Bill No. 5457**

**House Bill No. 5458**

The motion prevailed, a majority of the members serving voting therefor.

The following bill was read a third time:

**House Bill No. 5457, entitled**

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 237 (MCL 208.1237).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 382** **Yeas—29**

| | | | |
|---|---|---|---|
| Ananich | Hertel | MacGregor | Robertson |
| Bieda | Hildenbrand | Marleau | Rocca |
| Booher | Hood | Meekhof | Schmidt |
| Brandenburg | Hopgood | Nofs | Shirkey |
| Casperson | Knezek | O'Brien | Stamas |
| Colbeck | Knollenberg | Pavlov | Warren |
| Gregory | Kowall | Proos | Young |
| Hansen | | | |

**Nays—7**

| | | | |
|---|---|---|---|
| Emmons | Horn | Jones | Zorn |
| Green | Hune | Schuitmaker | |

**Excused—1**

Johnson

**Not Voting—0**

In The Chair: President

Senator Kowall moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of taxes on certain commercial, business, and financial activities; to prescribe the powers and duties of public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to make appropriations,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5458, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 637 (MCL 206.637), as added by 2011 PA 38.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 383**

**Yeas—29**

Ananich
Bieda
Booher
Brandenburg
Casperson
Colbeck
Gregory
Hansen
Hertel
Hildenbrand
Hood
Hopgood
Knezek
Knollenberg
Kowall
MacGregor
Marleau
Meekhof
Nofs
O'Brien
Pavlov
Proos
Robertson
Rocca
Schmidt
Shirkey
Stamas
Warren
Young

**Nays—7**

Emmons
Green
Horn
Hune
Jones
Schuitmaker
Zorn

**Excused—1**

Johnson

**Not Voting—0**

In The Chair: President

Senator Kowall moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement by lien and otherwise of taxes on or measured by net income and on certain

commercial, business, and financial activities; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

## Recess

Senator Kowall moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 10:39 a.m.

10:51 a.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

During the recess, Senator Johnson entered the Senate Chamber.

By unanimous consent the Senate returned to the order of

## General Orders

Senator Kowall moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schuitmaker, designated Senator Hansen as Chairperson.

After some time spent therein, the Committee arose; and the President pro tempore, Senator Schuitmaker, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:

**Senate Bill No. 903, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 61703 and 61706 (MCL 324.61703 and 324.61706), as added by 1995 PA 57.

The bill was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**Senate Bill No. 289, entitled**

A bill to prohibit the bad-faith assertion of patent infringements; to provide remedies for the bad-faith assertion of patent infringements; to provide for the powers and duties of the attorney general; and to authorize the promulgation of rules.

Substitute (S-3).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**Senate Bill No. 291, entitled**

A bill to provide compensation and other relief for individuals wrongfully imprisoned for crimes; to prescribe the powers and duties of certain state governmental officers and agencies; and to provide remedies.

Substitute (S-3).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**Senate Bill No. 399, entitled**

A bill to amend 1909 PA 283, entitled "An act to revise, consolidate, and add to the laws relating to the establishment, opening, discontinuing, vacating, closing, altering, improvement, maintenance, and use of the public highways and private roads; the condemnation of property and gravel therefor; the building, repairing and preservation of bridges; maintaining public access to waterways under certain conditions; setting and protecting shade trees, drainage, and cutting weeds and brush within this state; providing for the election or appointment and defining the powers, duties, and compensation of state, county, township, and district highway officials; and to prescribe penalties and provide remedies," by amending section 19b of chapter IV (MCL 224.19b), as added by 1980 PA 212.

Substitute (S-3).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**House Bill No. 5442, entitled**

A bill to prescribe the public threat alert system as the official response to public threat situations in this state; and to provide for the powers and duties of certain state and local governmental officers and authorities.

Substitute (S-1).

The following is the amendment to the substitute recommended by the Committee of the Whole:

1. Amend page 3, line 2, by striking out all of subdivision (a) and inserting:

"(a) Senate Bill No. 976.".

The Senate agreed to the substitute as amended recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**House Bill No. 5567, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 1f of chapter IX (MCL 769.1f), as amended by 2012 PA 331.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

## Recess

Senator Kowall moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 11:01 a.m.

11:31 a.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

By unanimous consent the Senate returned to the order of

## Third Reading of Bills

The following bill was read a third time:

**Senate Bill No. 1008, entitled**

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending section 10 (MCL 421.10), as amended by 2015 PA 57.

The question being on the passage of the bill,

Senator Warren offered the following amendment:

1. Amend page 5, following line 26, by inserting:

"Enacting section 2. This amendatory act does not take effect unless Senate Bill No. 1000 of the 98th Legislature is enacted into law.".

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Hood requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 384** **Yeas—10**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Johnson | Warren |
| Bieda | Hood | Knezek | Young |
| Gregory | Hopgood | | |

**Nays—27**

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | Marleau | Rocca |
| Brandenburg | Horn | Meekhof | Schmidt |
| Casperson | Hune | Nofs | Schuitmaker |
| Colbeck | Jones | O'Brien | Shirkey |
| Emmons | Knollenberg | Pavlov | Stamas |
| Green | Kowall | Proos | Zorn |
| Hansen | MacGregor | Robertson | |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

Senator Warren offered the following amendment:

1. Amend page 5, following line 26, by inserting:

"Enacting section 2. This amendatory act does not take effect unless Senate Bill No. 1004 of the 98th Legislature is enacted into law.".

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Hood requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 385**

**Yeas—14**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Johnson | Schuitmaker |
| Bieda | Hood | Knezek | Warren |
| Colbeck | Hopgood | Rocca | Young |
| Gregory | Hune | | |

**Nays—23**

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | Marleau | Robertson |
| Brandenburg | Horn | Meekhof | Schmidt |
| Casperson | Jones | Nofs | Shirkey |
| Emmons | Knollenberg | O'Brien | Stamas |
| Green | Kowall | Pavlov | Zorn |
| Hansen | MacGregor | Proos | |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

Senator Hertel offered the following amendment:

1. Amend page 5, line 20, after "agency." by inserting "**THE UNEMPLOYMENT AGENCY SHALL ORDER A REFUND FOR EACH CLAIMANT WHO WAS IMPROPERLY ASSESSED A FINE OR OTHER CHARGE WITHOUT ADEQUATE NOTICE OF THE BASIS FOR THE DETERMINATION THAT RESULTED IN THE FINE OR CHARGE IN VIOLATION OF THE CLAIMANT'S RIGHT TO DUE PROCESS.**".

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Hood requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 386** **Yeas—13**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Johnson | Rocca |
| Bieda | Hood | Knezek | Warren |
| Emmons | Hopgood | O'Brien | Young |
| Gregory | | | |

**Nays—24**

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | MacGregor | Robertson |
| Brandenburg | Horn | Marleau | Schmidt |
| Casperson | Hune | Meekhof | Schuitmaker |
| Colbeck | Jones | Nofs | Shirkey |
| Green | Knollenberg | Pavlov | Stamas |
| Hansen | Kowall | Proos | Zorn |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 387** **Yeas—26**

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | Marleau | Robertson |
| Brandenburg | Horn | Meekhof | Schmidt |
| Casperson | Hune | Nofs | Schuitmaker |
| Colbeck | Jones | O'Brien | Shirkey |
| Emmons | Knollenberg | Pavlov | Stamas |
| Green | Kowall | Proos | Zorn |
| Hansen | MacGregor | | |

**Nays—11**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Johnson | Warren |
| Bieda | Hood | Knezek | Young |
| Gregory | Hopgood | Rocca | |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The Senate agreed to the title of the bill.

Senator Hertel asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Hertel's statement is as follows:

The only reason we have the extra money to do this is because the MiDAS system effectively stole money from Michigan citizens. Of the cases the system identified as fraud, only 8 percent were legitimate. In the meantime, the other 92 percent of people wrongly identified as criminals suffered.

My amendment would require the Michigan Unemployment Agency to order a refund for each claimant who was wronged by the fraudulent system. It is our responsibility to do the right thing and make our citizens whole again.

I would ask for your support of my amendment.

The following bill was read a third time:

**House Bill No. 5164, entitled**

A bill to amend 1967 PA 288, entitled "Land division act," by amending section 241 (MCL 560.241), as amended by 1998 PA 549.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 388**

**Yeas—30**

| | | | |
|---|---|---|---|
| Ananich | Hildenbrand | Kowall | Schmidt |
| Bieda | Hood | MacGregor | Schuitmaker |
| Booher | Hopgood | Marleau | Shirkey |
| Casperson | Horn | Meekhof | Stamas |
| Green | Johnson | Nofs | Warren |
| Gregory | Jones | O'Brien | Young |
| Hansen | Knezek | Proos | Zorn |
| Hertel | Knollenberg | | |

**Nays—7**

| | | | |
|---|---|---|---|
| Brandenburg | Emmons | Pavlov | Rocca |
| Colbeck | Hune | Robertson | |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to regulate the division of land; to promote the public health, safety, and general welfare; to further the orderly layout and use of land; to require that the land be suitable for building sites and public improvements and that there be adequate drainage of the land; to provide for proper ingress and egress to lots and parcels; to promote proper surveying and monumenting of land subdivided and conveyed by accurate legal descriptions; to provide for the approvals to be obtained prior to the recording and filing of plats and other land divisions; to provide for the establishment of special assessment districts and for the imposition of special assessments to defray the cost of the operation and maintenance of retention basins for land within a final plat; to establish the procedure for vacating, correcting, and revising plats; to control residential building development within floodplain areas; to provide for reserving easements for utilities in vacated streets and alleys; to provide for the filing of amended plats; to provide for the making of assessors plats; to provide penalties for the violation of the provisions of this act; to repeal certain parts of this act on specific dates; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5165, entitled**

A bill to amend 1895 PA 107, entitled "An act to provide for recording in the offices of registers of deeds certified copies of judgments and decrees of courts of record and making the record thereof evidence in courts, and making such records heretofore made like evidence," by amending section 2 (MCL 565.412).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 389** **Yeas—30**

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|---|---|---|---|
| Ananich | Hildenbrand | Kowall | Schmidt |
| Bieda | Hood | MacGregor | Schuitmaker |
| Booher | Hopgood | Marleau | Shirkey |
| Casperson | Horn | Meekhof | Stamas |
| Green | Johnson | Nofs | Warren |
| Gregory | Jones | O'Brien | Young |
| Hansen | Knezek | Proos | Zorn |
| Hertel | Knollenberg | | |

**Nays—7**

| | | | |
|---|---|---|---|
| Brandenburg | Emmons | Pavlov | Rocca |
| Colbeck | Hune | Robertson | |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 5332, entitled**

A bill to amend 1965 PA 190, entitled "An act to provide for a system of uniformity of service for veterans," by amending the title and sections 1 and 2 (MCL 35.61 and 35.62), section 1 as amended by 1997 PA 131.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 390** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 5333, entitled**

A bill to amend 1947 PA 12, entitled "Veterans' military pay act," by amending section 2 (MCL 35.922).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 391** **Yeas—37**

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|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to provide for payments to persons who served in the armed forces of the United States between September 16, 1940, and June 30, 1946, and to beneficiaries of such persons; to provide for payments to persons entitled to benefits under section 25, article X of the constitution of this state; to prescribe the powers and duties of the state administrative board and state officers with respect thereto; to provide for acceptance of financial and other assistance from the federal government; to provide for certain administrative expenses; to make certain appropriations; and to prescribe penalties for violations of the provisions of this act,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5334, entitled**

A bill to amend 1974 PA 370, entitled "Vietnam veteran era bonus act," by amending section 2 (MCL 35.1022), as amended by 1980 PA 194.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 392** **Yeas—37**

Ananich
Bieda
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Pavlov
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Robertson
Rocca
Schmidt
Schuitmaker
Shirkey
Stamas
Warren
Young
Zorn

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to provide for payments to certain persons who served in the armed forces of the United States, and to beneficiaries of those persons; to prescribe the powers and duties of the adjutant general and other state offices with respect thereto; to provide for the court of claims; to adjudicate appeals; to provide for acceptance of financial and other assistance from the federal government; to create a veterans' military pay fund in the state treasury; to make appropriations; to prescribe penalties for violations of the provisions of this act; to authorize the issuance of general obligation bonds of the state and to pledge the full faith and credit of the state for the payment of principal and interest thereon; to provide for other matters relating to the bonds and the use of the proceeds of sale of the bonds,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5335, entitled**

A bill to amend 1955 PA 8, entitled "Korean veterans' military pay fund act of 1955," by amending section 2 (MCL 35.972).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 393** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to provide for payments to persons who served in the armed forces of the United States between June 27, 1950, and December 31, 1953, and to beneficiaries of such persons; to prescribe the power and duties of the state administrative board and state officers with respect thereto; to provide for acceptance of financial and other assistance from the federal government; to create the Korean veterans' military pay fund in the state treasury; to make certain appropriations; and to prescribe penalties for violations of the provisions of this act,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5336, entitled**

A bill to amend 1972 PA 222, entitled "An act to provide for an official personal identification card; to provide for its form, issuance and use; to regulate the use and disclosure of information obtained from the card; to prescribe the powers and duties of the secretary of state; to prescribe fees; to prescribe certain penalties for violations; and to provide an appropriation for certain purposes," by amending section 2 (MCL 28.292), as amended by 2016 PA 5.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 394** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 5337, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending section 261 (MCL 18.1261), as amended by 2012 PA 555.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 395** **Yeas—37**

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| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |

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**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to prescribe the powers and duties of the department of management and budget; to define the authority and functions of its director and its organizational entities; to authorize the department to issue directives; to provide for the capital outlay program; to provide for the leasing, planning, constructing, maintaining, altering, renovating, demolishing, conveying of lands and facilities; to provide for centralized administrative services such as purchasing, payroll, record retention, data processing, and publishing and for access to certain services; to provide for a system of internal accounting and administrative control for certain principal departments; to provide for an internal auditor in certain principal departments; to provide for certain powers and duties of certain state officers and agencies; to codify, revise, consolidate, classify, and add to the powers, duties, and laws relative to budgeting, accounting, and the regulating of appropriations; to provide for the implementation of certain constitutional provisions; to create funds and accounts; to make appropriations; to prescribe remedies and penalties; to rescind certain executive reorganization orders; to prescribe penalties; and to repeal certain acts and parts of acts,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5338, entitled**

A bill to amend 1994 PA 39, entitled "Veteran right to employment services act," by amending section 2 (MCL 35.1092).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 396** **Yeas—37**

Ananich
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MacGregor
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O'Brien
Pavlov
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Robertson
Rocca
Schmidt
Schuitmaker
Shirkey
Stamas
Warren
Young
Zorn

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to require those agencies and departments administering federally or state funded employment services or job training programs to provide, to the extent permitted by federal law, effective and equitable service to veterans,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5339, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 5701 (MCL 333.5701), as added by 1987 PA 48.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 397** **Yeas—37**

Ananich
Bieda
Booher
Brandenburg
Casperson
Colbeck
Emmons
Green
Gregory
Hansen
Hertel
Hildenbrand
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Johnson
Jones
Knezek
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MacGregor
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Robertson
Rocca
Schmidt
Schuitmaker
Shirkey
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Warren
Young
Zorn

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees,

task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5340, entitled**

A bill to amend 2014 PA 508, entitled "Private employer's veterans' preference policy act," by amending section 1 (MCL 35.1201).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 398** **Yeas—37**

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|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to authorize private employers to adopt and apply a veterans' preference employment policy,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5341, entitled**

A bill to amend 1899 PA 214, entitled "An act to provide relief outside of the soldiers' home for honorably discharged indigent soldiers, sailors, marines, nurses and members of women's auxiliaries and the indigent wives, widows and minor

children of such indigent or deceased soldiers, sailors, marines, nurses and members of women's auxiliaries, and to repeal certain acts and parts of acts," by amending section 2 (MCL 35.22).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 399** **Yeas—36**

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|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Gregory | Jones | Pavlov | Young |
| Hansen | Knezek | Proos | Zorn |

**Nays—1**

Green

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 5342, entitled**

A bill to amend 1974 PA 106, entitled "An act to authorize the issuance of general obligation bonds of the state and to pledge the full faith and credit of the state for the payment of principal and interest thereon for a service bonus for certain veterans; to provide for other matters relating to the bonds and the use of the proceeds of sale of the bonds; and to provide for the submission of the question of the issuance of the bonds to the electors of the state," by amending section 1 (MCL 35.1001).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 400** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |

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**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:
**House Bill No. 5343, entitled**
A bill to amend 1946 (1st Ex Sess) PA 27, entitled "An act to protect the work and study performed by applicants for license or qualification for any of the trades, occupations or professions before being inducted into the armed forces; to prevent service in the armed forces being considered as a disqualifying interruption of or delay in commencement of any required period of practical experience, apprenticeship, study or training; and to permit boards of examiners and similar boards to equitably evaluate and give credit for training and experience in the armed forces," by amending section 1 (MCL 35.581).
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 401** **Yeas—37**

Ananich
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Schmidt
Schuitmaker
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Young
Zorn

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:
**House Bill No. 5344, entitled**
A bill to amend 1897 PA 205, entitled "An act to prefer honorably discharged members of the armed forces of the United States for public employments," by amending section 1 (MCL 35.401), as amended by 2008 PA 28.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 402** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:
**House Bill No. 5345, entitled**
A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 516 (MCL 206.516), as amended by 1987 PA 254.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 403** **Yeas—37**

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|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |

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O'Brien
Pavlov
Proos
Schuitmaker
Shirkey
Stamas
Warren
Young
Zorn

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement by lien and otherwise of taxes on or measured by net income and on certain commercial, business, and financial activities; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5346, entitled**

A bill to amend 1885 PA 152, entitled "An act to authorize the establishment of facilities for former members of the armed forces of the United States in the state of Michigan; to create funds; and to provide for the promulgation of rules," by amending section 2a (MCL 36.2a), as added by 2011 PA 283.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 404** **Yeas—37**

Ananich
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Knollenberg
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MacGregor
Marleau
Meekhof
Nofs
O'Brien
Pavlov
Proos
Robertson
Rocca
Schmidt
Schuitmaker
Shirkey
Stamas
Warren
Young
Zorn

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:
**House Bill No. 5347, entitled**
A bill to amend 1921 PA 359, entitled "An act to provide for the issuance of veterans' licenses without cost to former members of the armed forces of the United States to sell their own goods within this state; and to prescribe remedies," by amending sections 1 and 2 (MCL 35.441 and 35.442), section 1 as amended by 1989 PA 20 and section 2 as amended by 1996 PA 187.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 405** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:
**House Bill No. 5348, entitled**
A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 1200 (MCL 600.1200), as added by 2012 PA 335.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 406** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of the courts, and of the judges and other officers of the courts; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in the courts; pleading, evidence, practice, and procedure in civil and criminal actions and proceedings in the courts; to provide for the powers and duties of certain state governmental officers and entities; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5548, entitled**

A bill to amend 1911 PA 235, entitled "An act to provide for the payment and reimbursement by counties, in certain cases upon application therefor, of expenses incurred in the burial of the bodies of honorably discharged members of the armed forces of the United States, or their spouses, and to repeal certain acts or parts of acts," by amending section 1 (MCL 35.801), as amended by 2003 PA 290.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 407** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |

| | | | |
|---|---|---|---|
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 5549, entitled**

A bill to amend 1946 (1st Ex Sess) PA 9, entitled "An act to create the Michigan veterans' trust fund, and to define who shall be eligible to receive assistance therefrom; to provide for the disbursement of the income thereof and surplus therein; to create a board of trustees, and to prescribe its powers and duties; to provide for county and district committees, and their powers, duties, and expenses; to prescribe penalties; and to make appropriations to carry out the provisions of this act," by amending section 2 (MCL 35.602).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 408** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:
**House Bill No. 5550, entitled**
A bill to amend 1899 PA 214, entitled "An act to provide relief outside of the soldiers' home for honorably discharged indigent soldiers, sailors, marines, nurses and members of women's auxiliaries and the indigent wives, widows and minor children of such indigent or deceased soldiers, sailors, marines, nurses and members of women's auxiliaries, and to repeal certain acts and parts of acts," by amending section 1 (MCL 35.21), as amended by 1984 PA 168.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 409** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:
**House Bill No. 5551, entitled**
A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 310 (MCL 257.310), as amended by 2016 PA 4.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 410** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |

Brandenburg
Casperson
Colbeck
Emmons
Green
Gregory
Hansen
Hopgood
Horn
Hune
Johnson
Jones
Knezek
Marleau
Meekhof
Nofs
O'Brien
Pavlov
Proos
Schuitmaker
Shirkey
Stamas
Warren
Young
Zorn

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of manufacturers, the manufacturers of automated technology, upfitters, owners, and operators of vehicles and service of process on residents and nonresidents; to regulate the introduction and use of certain evidence; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,".

The Senate agreed to the full title.

## Recess

Senator Kowall moved that the Senate recess until 2:45 p.m.

The motion prevailed, the time being 12:32 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the Assistant President pro tempore, Senator O'Brien.

By unanimous consent the Senate returned to the order of

## Messages from the House

**Senate Bill No. 673, entitled**

A bill to amend 2000 PA 146, entitled "Obsolete property rehabilitation act," by amending section 16 (MCL 125.2796), as amended by 2010 PA 137.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senator Kowall moved that rule 3.902 be suspended to allow the guests of Senator Casperson admittance to the Senate floor.

The motion prevailed, a majority of the members serving voting therefor.

**Recess**

Senator Kowall moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 3:00 p.m.

3:45 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator O'Brien.

By unanimous consent the Senate returned to the order of

**General Orders**

Senator Kowall moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the Assistant President pro tempore, Senator O'Brien, designated Senator Hansen as Chairperson.

After some time spent therein, the Committee arose; and the Assistant President pro tempore, Senator O'Brien, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**Senate Bill No. 987, entitled**

A bill to amend 2011 PA 142, entitled "Health insurance claims assessment act," by amending section 3 (MCL 550.1733), as amended by 2014 PA 162.

**Senate Bill No. 988, entitled**

A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending sections 2 and 6 (MCL 12.252 and 12.256), section 2 as amended by 2005 PA 232, and by adding section 11.

**Senate Bill No. 989, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending sections 3f and 21 (MCL 205.93f and 205.111), section 3f as amended by 2014 PA 161 and section 21 as amended by 2015 PA 263.

**Senate Bill No. 990, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.713) by adding section 51f.

The bills were placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

**Third Reading of Bills**

Senator Kowall moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage at the head of the Third Reading of Bills calendar:

**Senate Bill No. 987**
**Senate Bill No. 988**
**Senate Bill No. 989**
**Senate Bill No. 990**

The motion prevailed, a majority of the members serving voting therefor.

The following bill was read a third time:

**Senate Bill No. 987, entitled**

A bill to amend 2011 PA 142, entitled "Health insurance claims assessment act," by amending section 3 (MCL 550.1733), as amended by 2014 PA 162.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 411** **Yeas—37**

Ananich
Bieda
Booher
Brandenburg
Casperson
Colbeck
Emmons
Green
Gregory
Hansen
Hertel
Hildenbrand
Hood
Hopgood
Horn
Hune
Johnson
Jones
Knezek
Knollenberg
Kowall
MacGregor
Marleau
Meekhof
Nofs
O'Brien
Pavlov
Proos
Robertson
Rocca
Schmidt
Schuitmaker
Shirkey
Stamas
Warren
Young
Zorn

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 988, entitled**

A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending sections 2 and 6 (MCL 12.252 and 12.256), section 2 as amended by 2005 PA 232, and by adding section 11.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 412** **Yeas—35**

Ananich
Bieda
Booher
Brandenburg
Casperson
Colbeck
Emmons
Green
Gregory
Hansen
Hertel
Hildenbrand
Hood
Hopgood
Horn
Johnson
Jones
Knezek
Knollenberg
Kowall
MacGregor
Marleau
Meekhof
Nofs
O'Brien
Proos
Robertson
Rocca
Schmidt
Schuitmaker
Shirkey
Stamas
Warren
Young
Zorn

**Nays—2**

Hune
Pavlov

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 989, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending sections 3f and 21 (MCL 205.93f and 205.111), section 3f as amended by 2014 PA 161 and section 21 as amended by 2015 PA 263.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 413** **Yeas—34**

| | | | |
|---|---|---|---|
| Ananich | Hansen | Knollenberg | Robertson |
| Bieda | Hertel | Kowall | Schmidt |
| Booher | Hildenbrand | MacGregor | Schuitmaker |
| Brandenburg | Hood | Marleau | Shirkey |
| Casperson | Hopgood | Meekhof | Stamas |
| Colbeck | Horn | Nofs | Warren |
| Emmons | Johnson | O'Brien | Young |
| Green | Jones | Proos | Zorn |
| Gregory | Knezek | | |

**Nays—3**

| | | |
|---|---|---|
| Hune | Pavlov | Rocca |

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 990, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.713) by adding section 51f.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 414** **Yeas—34**

| | | | |
|---|---|---|---|
| Ananich | Hansen | Knollenberg | Robertson |
| Bieda | Hertel | Kowall | Schmidt |

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | MacGregor | Schuitmaker |
| Brandenburg | Hood | Marleau | Shirkey |
| Casperson | Hopgood | Meekhof | Stamas |
| Colbeck | Horn | Nofs | Warren |
| Emmons | Johnson | O'Brien | Young |
| Green | Jones | Proos | Zorn |
| Gregory | Knezek | | |

**Nays—3**

| | | |
|---|---|---|
| Hune | Pavlov | Rocca |

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

The Senate agreed to the title of the bill.

**Recess**

Senator Kowall moved that the Senate recess until 6:00 p.m.
The motion prevailed, the time being 3:59 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the Assistant President pro tempore, Senator O'Brien.

**Recess**

Senator Kowall moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 6:01 p.m.

6:20 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator O'Brien.

By unanimous consent the Senate proceeded to the order of

**Introduction and Referral of Bills**

Senator Bieda introduced

**Senate Bill No. 1020, entitled**

A bill to provide for remedies and prescribe civil sanctions against a person who presents a false or fraudulent claim to obtain money, property, or services from this state or a local unit of government; to prescribe the powers and duties of certain state and local government officers and agencies; to prohibit retaliation against a person who pursues a remedy under this act; and to authorize the attorney general to promulgate rules.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Stamas, Jones, Booher, Brandenburg, Proos, Pavlov, MacGregor, Nofs, Hansen, Emmons and Zorn introduced

**Senate Bill No. 1021, entitled**

A bill to amend 1975 PA 238, entitled "Child protection law," by amending sections 2, 7, and 8 (MCL 722.622, 722.627, and 722.628), sections 2 and 7 as amended by 2016 PA 35 and section 8 as amended by 2008 PA 300.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Jones, Bieda, Nofs and Schuitmaker introduced

**Senate Bill No. 1022, entitled**

A bill to amend 1965 PA 203, entitled "Commission on law enforcement standards act," (MCL 28.601 to 28.616) by adding sections 9e and 9f.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

Senators Hertel and Schuitmaker introduced

**Senate Bill No. 1023, entitled**

A bill to amend 1977 PA 72, entitled "The medicaid false claim act," by amending sections 2, 7, 10a, 10c, and 12 (MCL 400.602, 400.607, 400.610a, 400.610c, and 400.612), as amended by 2008 PA 421.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senator Schuitmaker introduced

**Senate Bill No. 1024, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 7333a (MCL 333.7333a), as amended by 2012 PA 44.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senator Booher introduced

**Senate Bill No. 1025, entitled**

A bill to amend 1956 PA 217, entitled "Electrical administrative act," by amending section 1a (MCL 338.881a), as added by 1992 PA 130.

The bill was read a first and second time by title and referred to the Committee on Regulatory Reform.

Senator Horn introduced

**Senate Bill No. 1026, entitled**

A bill to provide for the establishment of certain tax increment finance authorities; to prescribe the powers and duties of the authorities; to correct and prevent deterioration in residential, commercial, and industrial areas and certain other areas; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans and development areas; to promote residential and economic growth; to create certain boards; to prescribe the powers and duties of certain boards; to authorize the issuance of bonds and other evidences of indebtedness; to levy certain taxes; to authorize the use of tax increment financing; to prescribe powers and duties of certain state officials; to provide for rule promulgation; to provide for enforcement of this act; and to repeal acts and parts of acts.

The bill was read a first and second time by title and referred to the Committee on Economic Development and International Investment.

**House Bill No. 5102, entitled**

A bill to amend 1972 PA 230, entitled "Stille-DeRossett-Hale single state construction code act," by amending section 3a (MCL 125.1503a), as amended by 2006 PA 192.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Regulatory Reform.

**House Bill No. 5215, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," (MCL 750.1 to 750.568) by adding section 70a.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Judiciary.

**House Bill No. 5613, entitled**

A bill to amend 1969 PA 306, entitled "Administrative procedures act of 1969," by amending sections 32 and 45 (MCL 24.232 and 24.245), section 32 as amended by 2011 PA 270 and section 45 as amended by 2013 PA 200.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

## Recess

Senator Kowall moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 6:24 p.m.

6:50 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator O'Brien.

By unanimous consent the Senate returned to the order of

## Motions and Communications

Senator Kowall moved that the rules be suspended and that the following bills, now on Committee Reports, be placed on the General Orders calendar for consideration today:

**House Bill No. 5641**

**House Bill No. 5642**

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate returned to the order of

## General Orders

Senator Kowall moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the Assistant President pro tempore, Senator O'Brien, designated Senator Hansen as Chairperson.

After some time spent therein, the Committee arose; and the Assistant President pro tempore, Senator O'Brien, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**House Bill No. 5641, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 2950n.

**House Bill No. 5642, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 2950o.

The bills were placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

## Motions and Communications

Senator Kowall moved that the rules be suspended and that the following bills, now on Committee Reports, be placed on the General Orders calendar for consideration today:

**House Bill No. 5706**

**House Bill No. 5631**

**House Bill No. 5562**

**Senate Bill No. 1007**

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate returned to the order of

## General Orders

Senator Kowall moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the Assistant President pro tempore, Senator O'Brien, designated Senator Hansen as Chairperson.

After some time spent therein, the Committee arose; and the Assistant President pro tempore, Senator O'Brien, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**House Bill No. 5706, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 819 (MCL 257.819), as amended by 2009 PA 137.

**House Bill No. 5631, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 50507 (MCL 324.50507), as amended by 2004 PA 124.

The bills were placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**House Bill No. 5190, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 51 (MCL 206.51), as amended by 2015 PA 180, and by adding section 312.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**House Bill No. 5562, entitled**

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 117a (MCL 400.117a), as amended by 2015 PA 81.

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**Senate Bill No. 1007, entitled**

A bill to amend 2012 PA 101, entitled "Autism coverage reimbursement act," by amending section 7 (MCL 550.1837).

Substitute (S-2).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

## Recess

Senator Kowall moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 7:03 p.m.

7:12 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator O'Brien.

By unanimous consent the Senate returned to the order of

**General Orders**

Senator Kowall moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the Assistant President pro tempore, Senator O'Brien, designated Senator Hansen as Chairperson.

After some time spent therein, the Committee arose; and the Assistant President pro tempore, Senator O'Brien, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

**House Bill No. 5189, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 36101, 36104, 36109, and 36110 (MCL 324.36101, 324.36104, 324.36109, and 324.36110), section 36101 as amended by 2008 PA 336, sections 36104 and 36110 as amended by 1996 PA 233, and section 36109 as amended by 2007 PA 174; and to repeal acts and parts of acts.

Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendment, the following bill:

**House Bill No. 5191, entitled**

A bill to amend 1941 PA 122, entitled "An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of this state; to prescribe certain powers and duties of the state treasurer; to establish the collection duties of certain other state departments for money or accounts owed to this state; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments, and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act," by amending section 30 (MCL 205.30), as amended by 2014 PA 424.

The following is the amendment recommended by the Committee of the Whole:

1. Amend page 5, line 22, after "**MCL 324.36109**" by inserting a comma and "**FOR CONTRACTS THAT HAVE BEEN APPROVED AND PROCESSED BY THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND FORWARDED TO THE DEPARTMENT**".

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

**Conference Reports**

Senator Kowall moved that joint rule 9 be suspended to permit immediate consideration of the conference report relative to the following bill:

**Senate Bill No. 801**

The motion prevailed, a majority of the members serving voting therefor.

Senator Hildenbrand submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

**Senate Bill No. 801, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 15, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 31h, 32d, 32p, 35, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a,

95a, 98, 99c, 99h, 99s, 101, 102d, 104, 104b, 104c, 104d, 107, 147, 147a, 147c, 152a, 166b, 201, 201a, 202a, 203, 206, 207, 207a, 207b, 207c, 209, 210b, 212, 217, 219, 220, 222, 224, 225, 226, 229a, 230, 236, 236a, 236b, 236c, 237b, 238, 241, 246, 251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 289, and 290 (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1631h, 388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699c, 388.1699h, 388.1699s, 388.1701, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766b, 388.1801, 388.1801a, 388.1802a, 388.1803, 388.1806, 388.1807, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1812, 388.1817, 388.1819, 388.1820, 388.1822, 388.1824, 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1837b, 388.1838, 388.1841, 388.1846, 388.1851, 388.1852, 388.1854, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1874c, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1889, and 388.1890), sections 3, 203, 207, 212, 219, 220, 238, 251, and 254 as amended and section 237b as added by 2012 PA 201, sections 4, 6, 98, 107, 230, and 256 as amended by 2016 PA 56, sections 11, 21f, 31a, and 32d as amended by 2015 PA 139, sections 11a, 11j, 11k, 11m, 15, 20, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31d, 31f, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a, 99h, 101, 104, 104b, 104c, 147, 147a, 147c, 152a, 201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 225, 226, 229a, 236, 236a, 236b, 236c, 241, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 25g, 31h, 35, 35a, 55, 61b, 65, 67, 99c, 99s, 102d, 104d, and 274c as added by 2015 PA 85, section 18 as amended by 2015 PA 114, sections 19, 202a, 224, and 275 as amended by 2014 PA 196, section 166b as amended by 2015 PA 222, and sections 289 and 290 as amended by 2013 PA 60, and by adding sections 11s, 21, 31j, 32q, 54b, 59, 61c, 61d, 61e, 63, 99t, 152b, 210e, and 286a; and to repeal acts and parts of acts.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 25g, 26a, 26b, 26c, 31a, 31c, 31d, 31f, 31h, 32d, 32p, 35, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 101, 102d, 104, 104b, 104c, 104d, 107, 147, 147a, 147c, 152a, 166, 166b, 201, 201a, 202a, 203, 206, 207, 207a, 207b, 207c, 209, 210b, 212, 217, 219, 220, 222, 223, 224, 225, 226, 229a, 230, 236, 236a, 236b, 236c, 237b, 241, 246, 251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, and 290 (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631c, 388.1631d, 388.1631f, 388.1631h, 388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1701, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766, 388.1766b, 388.1801, 388.1801a, 388.1802a, 388.1803, 388.1806, 388.1807, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1812, 388.1817, 388.1819, 388.1820, 388.1822, 388.1823, 388.1824, 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1837b, 388.1841, 388.1846, 388.1851, 388.1852, 388.1854, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1874c, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, and 388.1890), sections 3, 203, 207, 212, 219, 220, 223, 251, and 254 as amended and section 237b as added by 2012 PA 201, sections 4, 6, 98, 107, 230, and 256 as amended by 2016 PA 56, sections 11, 21f, 31a, and 32d as amended by 2015 PA 139, sections 11a, 11j, 11k, 11m, 11r, 15, 20, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31d, 31f, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 99h, 101, 104, 104b, 104c, 147, 147a, 147c, 152a, 201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 225, 226, 229a, 236, 236a, 236b, 236c, 241, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 25g, 31c, 31h, 35, 35a, 55, 61b, 65, 67, 99s, 102d, 104d, and 274c as added by 2015 PA 85, section 18 as amended by 2015 PA 114, sections 19, 202a, 224, and 275 as amended by 2014 PA 196, section 166 as amended by 1996 PA 300, section 166b as amended by 2015 PA 222, and section 290 as amended by 2013 PA 60, and by adding sections 11o, 11s, 20m, 21, 21g, 31b, 31j, 32q, 54b, 61c, 63, 99t, 152b, 167a, 210e, 236d, and 286a; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 3. (1) "Achievement authority" means the education achievement authority, the public body corporate and special authority initially created under section 5 of article III and section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by an interlocal agreement effective August 11, 2011, between the school district of the city of Detroit and the board of regents of ~~eastern Michigan university,~~ **EASTERN MICHIGAN UNIVERSITY,** a state public university.

(2) "Achievement school" means a public school within the education achievement system operated, managed, authorized, established, or overseen by the achievement authority.

(3) "Average daily attendance", for the purposes of complying with federal law, means 92% of the pupils counted in membership on the pupil membership count day, as defined in section 6(7).

(4) "Board" means the governing body of a district or public school academy.

(5) "Center" means the center for educational performance and information created in section 94a.

**(6) "COMMUNITY DISTRICT" MEANS A SCHOOL DISTRICT ORGANIZED UNDER PART 5B OF THE REVISED SCHOOL CODE.**

**(7)** ~~(6)~~ "Cooperative education program" means a written voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts. The written agreement shall be approved by all affected districts at least annually and shall specify the educational programs to be provided and the estimated number of pupils from each district who will participate in the educational programs.

**(8)** ~~(7)~~ "Department", except in section 107, means the department of education.

**(9)** ~~(8)~~ "District" means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school academy. Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a, 105, 105c, and 166b, district also includes the education achievement system. **EXCEPT IN SECTION 20, DISTRICT ALSO INCLUDES A COMMUNITY DISTRICT.**

**(10)** ~~(9)~~ "District of residence", except as otherwise provided in this subsection, means the district in which a pupil's custodial parent or parents or legal guardian resides. For a pupil described in section 24b, the pupil's district of residence is the district in which the pupil enrolls under that section. For a pupil described in section 6(4)(d), the pupil's district of residence shall be considered to be the district or intermediate district in which the pupil is counted in membership under that section. For a pupil under court jurisdiction who is placed outside the district in which the pupil's custodial parent or parents or legal guardian resides, the pupil's district of residence shall be considered to be the educating district or educating intermediate district.

**(11)** ~~(10)~~ "District superintendent" means the superintendent of a district, the chief administrator of a public school academy, or the chancellor of the achievement authority.

Sec. 4. (1) "Education achievement system" means the achievement authority and all achievement schools.

(2) "Elementary pupil" means a pupil in membership in grades K to 8 in a district not maintaining classes above the eighth grade or in grades K to 6 in a district maintaining classes above the eighth grade. For the purposes of calculating universal service fund (e-rate) discounts, "elementary pupil" includes children enrolled in a preschool program operated by a district in its facilities.

(3) "Extended school year" means an educational program conducted by a district in which pupils must be enrolled but not necessarily in attendance on the pupil membership count day in an extended year program. The mandatory clock hours shall be completed by each pupil not more than 365 calendar days after the pupil's first day of classes for the school year prescribed. The department shall prescribe pupil, personnel, and other reporting requirements for the educational program.

(4) "Fiscal year" means the state fiscal year that commences October 1 and continues through September 30.

(5) "High school equivalency certificate" means a certificate granted for the successful completion of a high school equivalency test.

(6) "High school equivalency test" means ~~a high school equivalency test approved by the department under section 107.~~ **THE G.E.D. TEST DEVELOPED BY THE GED TESTING SERVICE, THE TEST ASSESSING SECONDARY COMPLETION (TASC) DEVELOPED BY CTS/MCGRAW-HILL, THE HISET TEST DEVELOPED BY THE EDUCATION TESTING SERVICE (ETS), OR ANOTHER COMPARABLE TEST APPROVED BY THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.**

(7) "High school equivalency test preparation program" means a program that has high school level courses in English language arts, social studies, science, and mathematics and that prepares an individual to successfully complete a high school equivalency test.

(8) "High school pupil" means a pupil in membership in grades 7 to 12, except in a district not maintaining grades above the eighth grade.

Sec. 6. (1) "Center program" means a program operated by a district or by an intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several

districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

(2) "District and high school graduation rate" means the annual completion and pupil dropout rate that is calculated by the center pursuant to nationally recognized standards.

(3) "District and high school graduation report" means a report of the number of pupils, excluding adult education participants, in the district for the immediately preceding school year, adjusted for those pupils who have transferred into or out of the district or high school, who leave high school with a diploma or other credential of equal status.

(4) "Membership", except as otherwise provided in this article, means for a district, a public school academy, the education achievement system, or an intermediate district the sum of the product of .90 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .10 times the final audited count from the supplemental count day for the immediately preceding school year. A district's, public school academy's, or intermediate district's membership shall be adjusted as provided under section 25e for pupils who enroll ~~in the district, public school academy, or intermediate district~~ after the pupil membership count day **IN A STRICT DISCIPLINE ACADEMY OPERATING UNDER SECTIONS 1311B TO 1311M OF THE REVISED SCHOOL CODE, MCL 380.1311B TO 380.1311M. HOWEVER, FOR A DISTRICT THAT IS A COMMUNITY DISTRICT IN ITS FIRST YEAR OF OPERATION, "MEMBERSHIP" MEANS THE SUM OF THE PRODUCT OF .90 TIMES THE NUMBER OF FULL-TIME EQUATED PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE IN THE COMMUNITY DISTRICT ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE CURRENT SCHOOL YEAR, PLUS THE PRODUCT OF .10 TIMES THE FINAL AUDITED COUNT FROM THE SUPPLEMENTAL COUNT DAY OF PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE IN A QUALIFYING SCHOOL DISTRICT AS DEFINED IN SECTION 5 OF THE REVISED SCHOOL CODE, MCL 380.5, FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR.** All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. For the purposes of this section and section 6a, for a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil's participation in the cyber school's educational program is considered regular daily attendance; for the education achievement system, a pupil's participation in ~~an online~~ **A VIRTUAL** educational program of the education achievement system or of an achievement school is considered regular daily attendance; and for a district a pupil's participation in ~~an online~~ **A VIRTUAL** course as defined in section 21f is considered regular daily attendance. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, a public school academy, the education achievement system, or an intermediate district:

(a) Except as otherwise provided in this subsection, and pursuant to subsection (6), a pupil shall be counted in membership in the pupil's educating district or districts. An individual pupil shall not be counted for more than a total of 1.0 full-time equated membership.

(b) If a pupil is educated in a district other than the pupil's district of residence, if the pupil is not being educated as part of a cooperative education program, if the pupil's district of residence does not give the educating district its approval to count the pupil in membership in the educating district, and if the pupil is not covered by an exception specified in subsection (6) to the requirement that the educating district must have the approval of the pupil's district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

(c) A special education pupil educated by the intermediate district shall be counted in membership in the intermediate district.

(d) A pupil placed by a court or state agency in an on-grounds program of a juvenile detention facility, a child caring institution, or a mental health institution, or a pupil funded under section 53a, shall be counted in membership in the district or intermediate district approved by the department to operate the program.

(e) A pupil enrolled in the Michigan schools for the deaf and blind shall be counted in membership in the pupil's intermediate district of residence.

(f) A pupil enrolled in a career and technical education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a public school academy shall be counted in membership in the public school academy.

(h) A pupil enrolled in an achievement school shall be counted in membership in the education achievement system.

(i) For a new district or public school academy beginning its operation after December 31, 1994, or for the education achievement system or an achievement school, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(*i*) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day

for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(*ii*) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year.

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who were also counted in the district on the immediately preceding supplemental count day.

(k) In a district, a public school academy, the education achievement system, or an intermediate district operating an extended school year program approved by the superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a pupil membership count day, shall be counted.

(*l*) To be counted in membership, a pupil shall meet the minimum age requirement to be eligible to attend school under section 1147 of the revised school code, MCL 380.1147, or shall be enrolled under subsection (3) of that section, and shall be less than 20 years of age on September 1 of the school year except as follows:

(*i*) A special education pupil who is enrolled and receiving instruction in a special education program or service approved by the department, who does not have a high school diploma, and who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(*ii*) A pupil who is determined by the department to meet all of the following may be counted in membership:

(A) Is enrolled in a public school academy or an alternative education high school diploma program, that is primarily focused on educating ~~homeless~~ pupils **WITH EXTREME BARRIERS TO EDUCATION, SUCH AS BEING HOMELESS AS DEFINED UNDER 42 USC 11302**.

(B) Had dropped out of school**.** ~~for more than 1 year and has re-entered school.~~

(C) Is less than 22 years of age as of September 1 of the current school year.

~~(D) Is considered to be homeless under 42 USC 11302, or was counted in membership under this subparagraph in 2014-2015.~~

(*iii*) If a child does not meet the minimum age requirement to be eligible to attend school for that school year under section 1147 of the revised school code, MCL 380.1147, but will be 5 years of age not later than December 1 of that school year, the district may count the child in membership for that school year if the parent or legal guardian has notified the district in writing that he or she intends to enroll the child in kindergarten for that school year.

(m) An individual who has ~~obtained~~ **ACHIEVED** a high school diploma shall not be counted in membership. An individual who has achieved a high school equivalency certificate shall not be counted in membership unless the individual is a student with a disability as defined in R 340.1702 of the Michigan administrative code. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the ~~Michigan strategic fund,~~ **DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT,** or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy or the education achievement system is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy or the education achievement system unless a written agreement signed by all parties designates the party or parties in which the pupil shall be counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district shall be included in the full-time equated membership determination under subdivision (q) and section 101. However, for pupils receiving instruction in both a public school academy or the education achievement system and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(*i*) If the public school academy or the education achievement system provides instruction for at least 1/2 of the class hours required under section 101, the public school academy or the education achievement system shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy or the education achievement system provides divided by the number of hours required under section 101 for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(*ii*) If the public school academy or the education achievement system provides instruction for less than 1/2 of the class hours required under section 101, the district or intermediate district providing the remainder of the hours of instruction shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours required under section 101 for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy or the education achievement system.

(o) An individual less than 16 years of age as of September 1 of the current school year who is being educated in an alternative education program shall not be counted in membership if there are also adult education participants being educated in the same program or classroom.

(p) The department shall give a uniform interpretation of full-time and part-time memberships.

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101. In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of instructional hours scheduled and provided per year per kindergarten pupil by the same number used for determining full-time equated memberships for pupils in grades 1 to 12. However, to the extent allowable under federal law, for a district or public school academy that provides evidence satisfactory to the department that it used federal title I money in the 2 immediately preceding school fiscal years to fund full-time kindergarten, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12. The change in the counting of full-time equated memberships for pupils in kindergarten that took effect for 2012-2013 is not a mandate.

(s) For a district, a public school academy, or the education achievement system that has pupils enrolled in a grade level that was not offered by the district, the public school academy, or the education achievement system in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(t) A pupil enrolled in a cooperative education program may be counted in membership in the pupil's district of residence with the written approval of all parties to the cooperative agreement.

(u) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home or otherwise apart from the general school population, if that placement is authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home or otherwise apart from the general school population, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours required under section 101 for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

(*i*) The district provides at least 2 nonconsecutive hours of instruction per week to the pupil at the pupil's home or otherwise apart from the general school population under the supervision of a certificated teacher.

(*ii*) The district provides instructional materials, resources, and supplies that are comparable to those otherwise provided in the district's alternative education program.

(*iii*) Course content is comparable to that in the district's alternative education program.

(*iv*) Credit earned is awarded to the pupil and placed on the pupil's transcript.

(v) If a pupil was enrolled in a public school academy on the pupil membership count day, if the public school academy's contract with its authorizing body is revoked or the public school academy otherwise ceases to operate, and if the pupil enrolls in a district or the education achievement system within 45 days after the pupil membership count day, the department shall adjust the district's or the education achievement system's pupil count for the pupil membership count day to include the pupil in the count.

(w) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .90 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .10 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(x) If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square mile, as determined by the department, and if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall include the square mileage of both districts in determining the

number of pupils per square mile for each of the districts for the purposes of this subdivision. The membership figure calculated under this subdivision is the greater of the following:

(*i*) The average of the district's membership for the 3-fiscal-year period ending with that fiscal year, calculated by adding the district's actual membership for each of those 3 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those 3 membership figures by 3.

(*ii*) The district's actual membership for that fiscal year as otherwise calculated under this subsection.

(y) Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan administrative code shall be determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are receiving early childhood special education services under R 340.1755 or R 340.1862 of the Michigan administrative code shall be determined by dividing the number of hours of service scheduled and provided per year per-pupil by 180.

(z) A pupil of a district that begins its school year after Labor Day who is enrolled in an intermediate district program that begins before Labor Day shall not be considered to be less than a full-time pupil solely due to instructional time scheduled but not attended by the pupil before Labor Day.

(aa) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department. If a pupil described in this subdivision was counted in membership by the operating district on the immediately preceding supplemental count day, the pupil shall be excluded from the district's immediately preceding supplemental count for the purposes of determining the district's membership.

(bb) A district, a public school academy, or the education achievement system that educates a pupil who attends a United States Olympic Education Center may count the pupil in membership regardless of whether or not the pupil is a resident of this state.

(cc) A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in the educating district or the education achievement system.

(dd) For a pupil enrolled in a dropout recovery program that meets the requirements of section 23a, the pupil shall be counted as 1/12 of a full-time equated membership for each month that the district operating the program reports that the pupil was enrolled in the program and was in full attendance. However, if the special membership counting provisions under this subdivision and the operation of the other membership counting provisions under this subsection result in a pupil being counted as more than 1.0 FTE in a fiscal year, the payment made for the pupil under sections 22a and 22b shall not be based on more than 1.0 FTE for that pupil, and any portion of an FTE for that pupil that exceeds 1.0 shall instead be paid under section 25g. The district operating the program shall report to the center the number of pupils who were enrolled in the program and were in full attendance for a month not later than ~~the tenth day of the next month.~~ **30 DAYS AFTER THE END OF THE MONTH.** A district shall not report a pupil as being in full attendance for a month unless both of the following are met:

(*i*) A personalized learning plan is in place on or before the first school day of the month for the first month the pupil participates in the program.

(*ii*) The pupil meets the district's definition under section 23a of satisfactory monthly progress for that month or, if the pupil does not meet that definition of satisfactory monthly progress for that month, the pupil did meet that definition of satisfactory monthly progress in the immediately preceding month and appropriate interventions are implemented within 10 school days after it is determined that the pupil does not meet that definition of satisfactory monthly progress.

(ee) A pupil participating in ~~an online~~ **A VIRTUAL** course under section 21f shall be counted in membership in the district enrolling the pupil.

(ff) If a public school academy that is not in its first or second year of operation closes at the end of a school year and does not reopen for the next school year, the department shall adjust the membership count of the district or the education achievement system in which a former pupil of the public school academy enrolls and is in regular daily attendance for the next school year to ensure that the district or the education achievement system receives the same amount of membership aid for the pupil as if the pupil were counted in the district or the education achievement system on the supplemental count day of the preceding school year.

**(GG) IF A SPECIAL EDUCATION PUPIL IS EXPELLED UNDER SECTION 1311 OR 1311A OF THE REVISED SCHOOL CODE, MCL 380.1311 AND 380.1311A, AND IS NOT IN ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT DAY BECAUSE OF THE EXPULSION, AND IF THE PUPIL REMAINS ENROLLED IN THE DISTRICT AND RESUMES REGULAR DAILY ATTENDANCE DURING THAT SCHOOL YEAR, THE DISTRICT'S MEMBERSHIP SHALL BE ADJUSTED TO COUNT THE PUPIL IN MEMBERSHIP AS IF HE OR SHE HAD BEEN IN ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT DAY.**

**(HH) A PUPIL ENROLLED IN A COMMUNITY DISTRICT SHALL BE COUNTED IN MEMBERSHIP IN THE COMMUNITY DISTRICT. FOR A COMMUNITY DISTRICT IN ITS FIRST FISCAL YEAR OF OPERATIONS ONLY, UNTIL THE DEPARTMENT IS ABLE TO CALCULATE THE COMMUNITY DISTRICT'S MEMBERSHIP, THE DEPARTMENT SHALL CONSIDER THE COMMUNITY DISTRICT'S MEMBERSHIP TO BE THE SAME AS THE MEMBERSHIP FOR THE IMMEDIATELY PRECEDING FISCAL YEAR FOR A DISTRICT WITH THE SAME BOUNDARIES AS THE COMMUNITY DISTRICT THAT HAD MEMBERSHIP FOR THAT FISCAL YEAR.**

(5) "Public school academy" means that term as defined in section 5 of the revised school code, MCL 380.5.

(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence is not required for any of the following:

(a) A nonpublic part-time pupil enrolled in grades K to 12 in accordance with section 166b.

(b) A pupil receiving 1/2 or less of his or her instruction in a district other than the pupil's district of residence.

(c) A pupil enrolled in a public school academy or the education achievement system.

(d) A pupil enrolled in a district other than the pupil's district of residence under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105.

(e) A pupil enrolled in a district other than the pupil's district of residence if the pupil is enrolled in accordance with section 105 or 105c.

(f) A pupil who has made an official written complaint or whose parent or legal guardian has made an official written complaint to law enforcement officials and to school officials of the pupil's district of residence that the pupil has been the victim of a criminal sexual assault or other serious assault, if the official complaint either indicates that the assault occurred at school or that the assault was committed by 1 or more other pupils enrolled in the school the pupil would otherwise attend in the district of residence or by an employee of the district of residence. A person who intentionally makes a false report of a crime to law enforcement officials for the purposes of this subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

(*i*) "At school" means in a classroom, elsewhere on school premises, on a school bus or other school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises.

(*ii*) "Serious assault" means an act that constitutes a felony violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90h, or that constitutes an assault and infliction of serious or aggravated injury under section 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

(g) A pupil whose district of residence changed after the pupil membership count day and before the supplemental count day and who continues to be enrolled on the supplemental count day as a nonresident in the district in which he or she was enrolled as a resident on the pupil membership count day of the same school year.

(h) A pupil enrolled in an alternative education program operated by a district other than his or her district of residence who meets 1 or more of the following:

(*i*) The pupil has been suspended or expelled from his or her district of residence for any reason, including, but not limited to, a suspension or expulsion under section 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

(*ii*) The pupil had previously dropped out of school.

(*iii*) The pupil is pregnant or is a parent.

(*iv*) The pupil has been referred to the program by a court.

(i) A pupil enrolled in the Michigan Virtual School, for the pupil's enrollment in the Michigan Virtual School.

(j) A pupil who is the child of a person who works at the district or who is the child of a person who worked at the district as of the time the pupil first enrolled in the district but who no longer works at the district due to a workforce reduction. As used in this subdivision, "child" includes an adopted child, stepchild, or legal ward.

(k) An expelled pupil who has been denied reinstatement by the expelling district and is reinstated by another school board under section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a.

(*l*) A pupil enrolled in a district other than the pupil's district of residence in a middle college program if the pupil's district of residence and the enrolling district are both constituent districts of the same intermediate district.

(m) A pupil enrolled in a district other than the pupil's district of residence who attends a United States Olympic Education Center.

(n) A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148.

(o) A pupil who enrolls in a district other than the pupil's district of residence as a result of the pupil's school not making adequate yearly progress under the no child left behind act of 2001, Public Law 107-110**, OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95**.

However, **EXCEPT FOR PUPILS ENROLLED IN THE YOUTH CHALLENGE PROGRAM AT THE SITE AT WHICH THE YOUTH CHALLENGE PROGRAM OPERATED FOR 2015-2016,** if a district educates pupils who reside in another district and if the primary instructional site for those pupils is established by the educating district after 2009-2010 and is located within the boundaries of that other district, the educating district must have the approval of that other district to count those pupils in membership.

(7) "Pupil membership count day" of a district or intermediate district means:

(a) Except as provided in subdivision (b), the first Wednesday in October each school year or, for a district or building in which school is not in session on that Wednesday due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which school is in session in the district or building.

(b) For a district or intermediate district maintaining school during the entire school year, the following days:

(*i*) Fourth Wednesday in July.

(*ii*) First Wednesday in October.

(*iii*) Second Wednesday in February.

(*iv*) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, an intermediate district, a public school academy, or the education achievement system before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, public school academy, or education achievement system within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

(9) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(10) "The revised school code" means 1976 PA 451, MCL 380.1 to 380.1852.

(11) "School district of the first class", "first class school district", and "district of the first class" mean, for the purposes of this article only, a district that had at least 40,000 pupils in membership for the immediately preceding fiscal year.

(12) "School fiscal year" means a fiscal year that commences July 1 and continues through June 30.

(13) "State board" means the state board of education.

(14) "Superintendent", unless the context clearly refers to a district or intermediate district superintendent, means the superintendent of public instruction described in section 3 of article VIII of the state constitution of 1963.

(15) "Supplemental count day" means the day on which the supplemental pupil count is conducted under section 6a.

(16) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged to the district of residence. Tuition pupil does not include a pupil who is a special education pupil, a pupil described in subsection (6)(c) to (o), or a pupil whose parent or guardian voluntarily enrolls the pupil in a district that is not the pupil's district of residence. A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

(17) "State school aid fund" means the state school aid fund established in section 11 of article IX of the state constitution of 1963.

(18) "Taxable value" means the taxable value of property as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(19) "Textbook" means a book, electronic book, or other instructional print or electronic resource that is selected and approved by the governing board of a district or, for an achievement school, by the chancellor of the achievement authority and that contains a presentation of principles of a subject, or that is a literary work relevant to the study of a subject required for the use of classroom pupils, or another type of course material that forms the basis of classroom instruction.

(20) "Total state aid" or "total state school aid" means the total combined amount of all funds due to a district, intermediate district, or other entity under all of the provisions of this article.

Sec. 11. (1) ~~For the fiscal year ending September 30, 2015, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $11,814,097,400.00 from the state school aid fund, the sum of $18,000,000.00 from the MPSERS retirement obligation reform reserve fund created under section 147b, and the sum of $33,700,000.00 from the general fund.~~ For the fiscal year ending September 30, 2016, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of ~~$12,078,985,100.00~~ **$11,905,439,300.00** from the state school aid fund and the sum of ~~$45,900,000.00~~ **$55,100,000.00** from the general fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF $12,052,309,300.00 FROM THE STATE SCHOOL AID FUND, THE SUM OF $218,900,000.00 FROM THE GENERAL FUND, AN AMOUNT NOT TO EXCEED $72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND CREATED UNDER SECTION 12 OF THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.262, AND AN AMOUNT NOT TO EXCEED $100.00 FROM THE WATER EMERGENCY RESERVE FUND.** In addition, all other available federal funds are appropriated each fiscal year for the fiscal years ending September 30, ~~2015~~ **2016** and September 30, ~~2016.~~ **2017.**

(2) The appropriations under this section shall be allocated as provided in this article. Money appropriated under this section from the general fund shall be expended to fund the purposes of this article before the expenditure of money appropriated under this section from the state school aid fund.

(3) Any general fund allocations under this article that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 11a. (1) The school aid stabilization fund is created as a separate account within the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(2) The state treasurer may receive money or other assets from any source for deposit into the school aid stabilization fund. The state treasurer shall deposit into the school aid stabilization fund all of the following:

(a) Unexpended and unencumbered state school aid fund revenue for a fiscal year that remains in the state school aid fund as of the bookclosing for that fiscal year.

(b) Money statutorily dedicated to the school aid stabilization fund.

(c) Money appropriated to the school aid stabilization fund.

(3) Money available in the school aid stabilization fund may not be expended without a specific appropriation from the school aid stabilization fund. Money in the school aid stabilization fund shall be expended only for purposes for which state school aid fund money may be expended.

(4) The state treasurer shall direct the investment of the school aid stabilization fund. The state treasurer shall credit to the school aid stabilization fund interest and earnings from fund investments.

(5) Money in the school aid stabilization fund at the close of a fiscal year shall remain in the school aid stabilization fund and shall not lapse to the unreserved school aid fund balance or the general fund.

(6) If the maximum amount appropriated under section 11 from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, there is appropriated from the school aid stabilization fund to the state school aid fund an amount equal to the projected shortfall as determined by the department of treasury, but not to exceed available money in the school aid stabilization fund. If the money in the school aid stabilization fund is insufficient to fully fund an amount equal to the projected shortfall, the state budget director shall notify the legislature as required under section 296(2) and state payments in an amount equal to the remainder of the projected shortfall shall be prorated in the manner provided under section 296(3).

(7) For ~~2015-2016,~~ **2016-2017,** in addition to the appropriations in section 11, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this article.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed ~~$126,500,000.00~~ **$10,500,000.00** for 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $126,500,000.00 FOR 2016-2017** for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 296 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 11k. For ~~2015-2016,~~ **2016-2017,** there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the appropriation in section 11, ~~there is allocated for 2014-2015 an amount not to exceed $0.00 and~~ there is allocated for 2015-2016 an amount not to exceed ~~$2,000,000.00~~ **$1,000,000.00 AND THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED $3,000,000.00** for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

**SEC. 11o. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED $9,200,000.00 FOR 2015-2016 TO AN INTERMEDIATE DISTRICT FOR THE PURPOSE OF PROVIDING STATE EARLY CHILDHOOD SERVICES DESCRIBED IN THIS SECTION TO CHILDREN WHO RESIDE WITHIN THE BOUNDARIES OF A CONSTITUENT DISTRICT WITH THE MAJORITY OF ITS TERRITORY LOCATED WITHIN THE BOUNDARIES OF A CITY FOR WHICH AN EXECUTIVE PROCLAMATION OF EMERGENCY IS ISSUED DURING THE FISCAL YEAR UNDER THE EMERGENCY MANAGEMENT ACT, 1976 PA 390, MCL 30.401 TO 30.421.**

**(2) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $8,300,000.00 FOR STATE EARLY INTERVENTION SERVICES PROVIDED TO CHILDREN LESS THAN 5 YEARS OF AGE AS OF SEPTEMBER 1, 2015. THE INTERMEDIATE DISTRICT SHALL USE THE FUNDS TO PROVIDE STATE EARLY INTERVENTION SERVICES THAT ARE SIMILAR TO THE SERVICES DESCRIBED IN THE EARLY ON MICHIGAN STATE PLAN, AS APPROVED BY THE DEPARTMENT.**

**(3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $650,000.00 TO PROVIDE SUMMER GREAT START READINESS PROGRAMS AND RELATED SERVICES, AS APPROVED BY THE DEPARTMENT.**

**(4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $250,000.00 TO A CONSTITUENT DISTRICT DESCRIBED IN SUBSECTION (1) THAT HAS AN AGREEMENT**

**WITH A POSTSECONDARY INSTITUTION TO PROVIDE SUMMER EARLY CHILDHOOD PROGRAMS SIMILAR TO GREAT START READINESS PROGRAMS, AS APPROVED BY THE DEPARTMENT.**

**(5) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO PROVIDE EARLY CHILDHOOD SERVICES DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2018.**

Sec. 11r. (1) From the appropriation in section 11, there is allocated for 2014-2015 an amount not to exceed $4,000,000.00 to be deposited into the distressed districts emergency grant fund created under this section for the purpose of funding grants under this section.

(2) The distressed districts emergency grant fund is created as a separate account within the state school aid fund. The state treasurer may receive money or other assets from any source for deposit into the distressed districts emergency grant fund. The state treasurer shall direct the investment of the distressed districts emergency grant fund and shall credit to the distressed districts emergency grant fund interest and earnings from the fund.

(3) Subject to subsection (4), ~~and except as otherwise provided under subsection (8),~~ a district is eligible to receive a grant from the distressed districts emergency grant fund if either of the following applies:

(a) The district has adopted a resolution authorizing the voluntary dissolution of the district approved by the state treasurer under section 12 of the revised school code, MCL 380.12, but the dissolution has not yet taken effect under that section.

(b) The district is a receiving district under section 12 of the revised school code, MCL 380.12, and the district enrolls pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, in the immediately preceding school year.

(4) A district receiving funds under section 20g is not eligible to receive funds under this section.

(5) The amount of a grant under this section shall be determined by the state treasurer after consultation with the superintendent of public instruction, but shall not exceed the estimated amount of remaining district costs in excess of available revenues, including, but not limited to, payroll, benefits, retirement system contributions, pupil transportation, food services, special education, building security, and other costs necessary to allow the district to operate schools directly and provide public education services until the end of the current school fiscal year. For a district that meets the eligibility criteria under subsection (3)(b), the amount of the grant shall be determined in the same manner as transition costs under section 20g.

(6) Before disbursing funds under this section, the state treasurer shall notify the house and senate appropriations subcommittees on school aid and the house and senate fiscal agencies. The notification shall include, but not be limited to, the district receiving funds under this section, the amount of the funds awarded under this section, an explanation of the district conditions that necessitate funding under this section, and the intended use of funds disbursed under this section.

(7) ~~Money~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (8), MONEY** in the distressed districts emergency grant fund at the close of a fiscal year shall remain in the distressed districts emergency grant fund and shall not lapse to the state school aid fund or to the general fund.

~~(8) For 2014-2015 only, for a district that is a strict discipline academy established under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m, that serves at least 340 pupils as reported on the line labeled "State Aid Membership" in the May 2015 state aid financial status report, and that services a program that provided pupil accounting information to the department for the October 2013 data collection on the department form entitled "ANNUAL SURVEY OF CHILDREN IN LOCAL INSTITUTIONS FOR NEGLECTED OR DELINQUENT CHILDREN OR IN CORRECTIONAL INSTITUTIONS (Title I of P.L. 107-110)", but for which the information was not correctly compiled by the department, the department shall award a grant to that district under this subsection from the funding allocated under subsection (1) to compensate the district for the loss in federal funding that occurred as a result of the department's incorrect compilation. The amount of the grant under this subsection for this purpose shall be $178,000.00 for the amount lost for the 2014-2015 school year.~~

**(8) FOR 2015-2016 ONLY, AN AMOUNT NOT TO EXCEED $2,800,000.00 SHALL BE LAPSED FROM THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND TO THE STATE SCHOOL AID FUND.**

**SEC. 11S. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED $10,142,500.00 FOR 2016-2017 FOR THE PURPOSE OF PROVIDING SERVICES AND PROGRAMS TO CHILDREN WHO RESIDE WITHIN THE BOUNDARIES OF A DISTRICT WITH THE MAJORITY OF ITS TERRITORY LOCATED WITHIN THE BOUNDARIES OF A CITY FOR WHICH AN EXECUTIVE PROCLAMATION OF EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY PRECEDING FISCAL YEAR UNDER THE EMERGENCY MANAGEMENT ACT, 1976 PA 390, MCL 30.401 TO 30.421. FROM THE FUNDING APPROPRIATED IN SECTION 11, THERE IS ALLOCATED $100.00 FROM THE WATER EMERGENCY RESERVE FUND FOR THE PURPOSES OF THIS SECTION.**

**(2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED TO A DISTRICT WITH THE MAJORITY OF ITS TERRITORY LOCATED WITHIN THE BOUNDARIES OF A CITY IN WHICH AN EXECUTIVE PROCLAMATION OF EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY PRECEDING FISCAL YEAR AND THAT HAS AT LEAST 5,000 PUPILS IN MEMBERSHIP FOR THE CURRENT FISCAL YEAR, AN AMOUNT NOT TO EXCEED $1,292,500.00 FOR THE PURPOSE OF EMPLOYING SCHOOL NURSES AND**

**SCHOOL SOCIAL WORKERS. THE DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A FORM, MANNER, AND FREQUENCY APPROVED BY THE DEPARTMENT. THE DEPARTMENT SHALL PROVIDE A COPY OF THAT REPORT TO THE GOVERNOR, THE HOUSE AND SENATE SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS AFTER RECEIPT. THE REPORT SHALL PROVIDE AT LEAST THE FOLLOWING INFORMATION:**

**(A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS ALLOCATED UNDER THIS SUBSECTION.**

**(B) A DESCRIPTION OF THE SERVICES PROVIDED TO PUPILS BY THOSE PERSONNEL.**

**(C) HOW MANY PUPILS RECEIVED EACH TYPE OF SERVICE IDENTIFIED IN SUBDIVISION (B).**

**(D) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY TO ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED APPROPRIATE LEVELS AND TYPES OF SERVICES.**

**(3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED TO AN INTERMEDIATE DISTRICT THAT HAS A CONSTITUENT DISTRICT DESCRIBED IN SUBSECTION (2) AN AMOUNT NOT TO EXCEED $1,195,000.00 TO AUGMENT STAFF FOR THE PURPOSE OF PROVIDING ADDITIONAL EARLY CHILDHOOD SERVICES AND FOR NUTRITIONAL SERVICES TO CHILDREN DESCRIBED IN SUBSECTION (1), REGARDLESS OF LOCATION OF SCHOOL OF ATTENDANCE. THE EARLY CHILDHOOD SERVICES TO BE PROVIDED UNDER THIS SUBSECTION ARE STATE EARLY INTERVENTION SERVICES AS DESCRIBED IN SUBSECTION (4) AND EARLY LITERACY SERVICES. IN ADDITION, FUNDS ALLOCATED UNDER THIS SUBSECTION MAY ALSO BE EXPENDED TO PROVIDE INFORMATIONAL RESOURCES TO PARENTS, EDUCATORS, AND THE COMMUNITY, AND TO COORDINATE SERVICES WITH OTHER LOCAL AGENCIES. THE INTERMEDIATE DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A FORM, MANNER, AND FREQUENCY APPROVED BY THE DEPARTMENT. THE DEPARTMENT SHALL PROVIDE A COPY OF THAT REPORT TO THE GOVERNOR, THE HOUSE AND SENATE SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS AFTER RECEIPT. THE REPORT SHALL PROVIDE AT LEAST THE FOLLOWING INFORMATION:**

**(A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS APPROPRIATED IN THIS SUBSECTION.**

**(B) A DESCRIPTION OF THE SERVICES PROVIDED TO CHILDREN BY THOSE PERSONNEL.**

**(C) WHAT TYPES OF ADDITIONAL NUTRITIONAL SERVICES WERE PROVIDED.**

**(D) HOW MANY CHILDREN RECEIVED EACH TYPE OF SERVICE IDENTIFIED IN SUBDIVISIONS (B) AND (C).**

**(E) WHAT TYPES OF INFORMATIONAL RESOURCES AND COORDINATION EFFORTS WERE PROVIDED.**

**(F) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY TO ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED APPROPRIATE LEVELS AND TYPES OF SERVICES.**

**(4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $6,155,000.00 TO INTERMEDIATE DISTRICTS DESCRIBED IN SUBSECTION (3) TO PROVIDE STATE EARLY INTERVENTION SERVICES FOR CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF AGE AS OF SEPTEMBER 1, 2016. THE INTERMEDIATE DISTRICT SHALL USE THESE FUNDS TO PROVIDE STATE EARLY INTERVENTION SERVICES THAT ARE SIMILAR TO THE SERVICES DESCRIBED IN THE EARLY ON MICHIGAN STATE PLAN, INCLUDING ENSURING THAT ALL CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF AGE AS OF SEPTEMBER 1, 2016 ARE ASSESSED AND EVALUATED AT LEAST TWICE ANNUALLY.**

**(5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $1,500,000.00 TO INTERMEDIATE DISTRICTS DESCRIBED IN SUBSECTION (3) TO ENROLL CHILDREN DESCRIBED IN SUBSECTION (1) IN SCHOOL-DAY GREAT START READINESS PROGRAMS, REGARDLESS OF HOUSEHOLD INCOME ELIGIBILITY REQUIREMENTS CONTAINED IN SECTION 39. THE DEPARTMENT SHALL ADMINISTER THIS FUNDING CONSISTENT WITH ALL OTHER PROVISIONS OF THE GREAT START READINESS PROGRAMS CONTAINED IN SECTION 32D AND SECTION 39.**

**(6) IN ADDITION TO OTHER FUNDING ALLOCATED AND APPROPRIATED IN THIS SECTION, THERE IS APPROPRIATED AN AMOUNT NOT TO EXCEED $15,000,000.00 FOR 2016-2017 FOR STATE RESTRICTED CONTINGENCY FUNDS. THESE CONTINGENCY FUNDS ARE NOT AVAILABLE FOR EXPENDITURE UNTIL THEY HAVE BEEN TRANSFERRED TO A SECTION WITHIN THIS ARTICLE UNDER SECTION 393(2) OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1393.**

Sec. 15. (1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the next apportionment. Subject to subsections (2) and (3), if a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding any other provision in this article, state aid overpayments to a district, other than overpayments in payments for special education or special education transportation, may be recovered from any payment made under this article other than a special education or special education transportation payment, from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL

380.1211. State aid overpayments made in special education or special education transportation payments may be recovered from subsequent special education or special education transportation payments, from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211.

(2) If the result of an audit conducted by or for the department affects the current fiscal year membership, affected payments shall be adjusted in the current fiscal year. A deduction due to an adjustment made as a result of an audit conducted by or for the department, or as a result of information obtained by the department from the district, an intermediate district, the department of treasury, or the office of auditor general, shall be deducted from the district's apportionments when the adjustment is finalized. At the request of the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 4 years for the adjustment and may advance payments to the district otherwise authorized under this article if the district would otherwise experience a significant hardship in satisfying its financial obligations. ~~For a district that is a strict discipline academy established under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m, and that claimed a hardship in 2014-2015 because of an overpayment caused by a miscalculation of its pupil membership for 2013-2014, the department shall consider the amount of repayment made by the district as of the effective date of the amendatory act that added this sentence to constitute full repayment and the district is not required to continue making repayment for the overpayment that occurred in 2013-2014.~~

(3) If, based on an audit by the department or the department's designee or because of new or updated information received by the department, the department determines that the amount paid to a district or intermediate district under this article for the current fiscal year or a prior fiscal year was incorrect, the department shall make the appropriate deduction or payment in the district's or intermediate district's allocation in the next apportionment after the adjustment is finalized. The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the incorrect amount was paid. If the district does not receive an allocation for the fiscal year or if the allocation is not sufficient to pay the amount of any deduction, the amount of any deduction otherwise applicable shall be satisfied from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211, as determined by the department.

(4) The department may conduct audits, or may direct audits by designee of the department, for the current fiscal year and the immediately preceding 3 fiscal years of all records related to a program for which a district or intermediate district has received funds under this article.

(5) Expenditures made by the department under this article that are caused by the write-off of prior year accruals may be funded by revenue from the write-off of prior year accruals.

(6) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for ~~2014-2015 and for 2015-2016~~ **2016-2017** for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

Sec. 18. (1) Except as provided in another section of this article, each district or other entity shall apply the money received by the district or entity under this article to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks, other supplies, and any other school operating expenditures defined in section 7. However, not more than 20% of the total amount received by a district under sections 22a and 22b or received by an intermediate district under section 81 may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. The money shall not be applied or taken for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this article the apportionment otherwise due upon a violation by the recipient.

(2) A district or intermediate district shall adopt an annual budget in a manner that complies with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days after a district board adopts its annual operating budget for the following school fiscal year, or after a district board adopts a subsequent revision to that budget, the district shall make all of the following available through a link on its website homepage, or may make the information available through a link on its intermediate district's website homepage, in a form and manner prescribed by the department:

(a) The annual operating budget and subsequent budget revisions.

(b) Using data that have already been collected and submitted to the department, a summary of district expenditures for the most recent fiscal year for which they are available, expressed in the following 2 pie charts:

(*i*) A chart of personnel expenditures, broken into the following subcategories:

(A) Salaries and wages.

(B) Employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care benefits.

(C) Retirement benefit costs.

(D) All other personnel costs.

(*ii*) A chart of all district expenditures, broken into the following subcategories:

(A) Instruction.

(B) Support services.

(C) Business and administration.

(D) Operations and maintenance.

(c) Links to all of the following:

(*i*) The current collective bargaining agreement for each bargaining unit.

(*ii*) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee in the district.

(*iii*) The audit report of the audit conducted under subsection (4) for the most recent fiscal year for which it is available.

(*iv*) The bids required under section 5 of the public employees health benefits act, 2007 PA 106, MCL 124.75.

(*v*) The district's written policy governing procurement of supplies, materials, and equipment.

(*vi*) The district's written policy establishing specific categories of reimbursable expenses, as described in section 1254(2) of the revised school code, MCL 380.1254.

(*vii*) Either the district's accounts payable check register for the most recent school fiscal year or a statement of the total amount of expenses incurred by board members or employees of the district that were reimbursed by the district for the most recent school fiscal year.

(d) The total salary and a description and cost of each fringe benefit included in the compensation package for the superintendent of the district and for each employee of the district whose salary exceeds $100,000.00.

(e) The annual amount spent on dues paid to associations.

(f) The annual amount spent on lobbying or lobbying services. As used in this subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL 4.415.

(g) Any deficit elimination plan or enhanced deficit elimination plan the district was required to submit under the revised school code.

(h) Identification of all credit cards maintained by the district as district credit cards, the identity of all individuals authorized to use each of those credit cards, the credit limit on each credit card, and the dollar limit, if any, for each individual's authorized use of the credit card.

(i) Costs incurred for each instance of out-of-state travel by the school administrator of the district that is fully or partially paid for by the district and the details of each of those instances of out-of-state travel, including at least identification of each individual on the trip, destination, and purpose.

(3) For the information required under subsection (2)(a), (2)(b)(*i*), and (2)(c), an intermediate district shall provide the same information in the same manner as required for a district under subsection (2).

(4) For the purposes of determining the reasonableness of expenditures, whether a district or intermediate district has received the proper amount of funds under this article, and whether a violation of this article has occurred, all of the following apply:

(a) The department shall require that each district and intermediate district have an audit of the district's or intermediate district's financial and pupil accounting records conducted at least annually, and at such other times as determined by the department, at the expense of the district or intermediate district, as applicable. The audits must be performed by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city. A district or intermediate district shall retain these records for the current fiscal year and from at least the 3 immediately preceding fiscal years.

(b) If a district operates in a single building with fewer than 700 full-time equated pupils, if the district has stable membership, and if the error rate of the immediately preceding 2 pupil accounting field audits of the district is less than 2%, the district may have a pupil accounting field audit conducted biennially but must continue to have desk audits for each pupil count. The auditor must document compliance with the audit cycle in the pupil auditing manual. As used in this subdivision, "stable membership" means that the district's membership for the current fiscal year varies from the district's membership for the immediately preceding fiscal year by less than 5%.

(c) A district's or intermediate district's annual financial audit shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid.

(d) The pupil and financial accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department.

(e) All of the following shall be done not later than November 1 each year for reporting the prior fiscal year data:

(*i*) A district shall file the annual financial audit reports with the intermediate district and the department.

(*ii*) The intermediate district shall file the annual financial audit reports for the intermediate district with the department.

(*iii*) The intermediate district shall enter the pupil membership audit reports for its constituent districts and for the intermediate district, for the pupil membership count day and supplemental count day, in the Michigan student data system.

(f) The annual financial audit reports and pupil accounting procedures reports shall be available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(g) Not later than January 31 of each year, the department shall notify the state budget director and the legislative appropriations subcommittees responsible for review of the school aid budget of districts and intermediate districts that have not filed an annual financial audit and pupil accounting procedures report required under this section for the school year ending in the immediately preceding fiscal year.

(5) By November 1 each fiscal year, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data **CONSISTENT WITH THE DISTRICT'S OR INTERMEDIATE**

**DISTRICT'S AUDITED FINANCIAL STATEMENTS AND** consistent with accounting manuals and charts of accounts approved and published by the department. For an intermediate district, the report shall also contain the website address where the department can access the report required under section 620 of the revised school code, MCL 380.620. The department shall ensure that the prescribed Michigan public school accounting manual chart of accounts includes standard conventions to distinguish expenditures by allowable fund function and object. The functions shall include at minimum categories for instruction, pupil support, instructional staff support, general administration, school administration, business administration, transportation, facilities operation and maintenance, facilities acquisition, and debt service; and shall include object classifications of salary, benefits, including categories for active employee health expenditures, purchased services, supplies, capital outlay, and other. Districts shall report the required level of detail consistent with the manual as part of the comprehensive annual financial report.

(6) By September 30 of each year, each district and intermediate district shall file with the department the special education actual cost report, known as "SE-4096", on a form and in the manner prescribed by the department.

(7) By October 7 of each year, each district and intermediate district shall file with the center the transportation expenditure report, known as "SE-4094", on a form and in the manner prescribed by the center.

(8) The department shall review its pupil accounting and pupil auditing manuals at least annually and shall periodically update those manuals to reflect changes in this article.

(9) If a district that is a public school academy purchases property using money received under this article, the public school academy shall retain ownership of the property unless the public school academy sells the property at fair market value.

(10) If a district or intermediate district does not comply with subsections (4), (5), (6), and (7), **OR IF THE DEPARTMENT DETERMINES THAT THE FINANCIAL DATA REQUIRED UNDER SUBSECTION (5) ARE NOT CONSISTENT WITH AUDITED FINANCIAL STATEMENTS,** the department shall withhold all state school aid due to the district or intermediate district under this article, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections (4), (5), (6), and (7). If the district or intermediate district does not comply with subsections (4), (5), (6), and (7) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

(11) If a district or intermediate district does not comply with subsection (2), the department may withhold up to 10% of the total state school aid due to the district or intermediate district under this article, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsection (2). If the district or intermediate district does not comply with subsection (2) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

(12) Not later than November 1, ~~2015,~~ **2016,** if a district or intermediate district offers ~~online~~ **VIRTUAL** learning under section 21f, the district or intermediate district shall submit to the department a report that details the per-pupil costs of operating the ~~online~~ **VIRTUAL** learning by vendor type. The report shall include at least all of the following information concerning the operation of ~~online~~ **VIRTUAL** learning for the school fiscal year ending June 30, ~~2015:~~**2016:**

(a) The name of the district operating the ~~online~~ **VIRTUAL** learning and of each district that enrolled students in the ~~online~~ **VIRTUAL** learning.

(b) The total number of students enrolled in the ~~online~~ **VIRTUAL** learning and the total number of membership pupils enrolled in the ~~online~~ **VIRTUAL** learning.

(c) For each pupil who is enrolled in a district other than the district offering ~~online~~ **VIRTUAL** learning, the name of that district.

(d) The district in which the pupil was enrolled before enrolling in the district offering ~~online~~ **VIRTUAL** learning.

(e) The number of participating students who had previously dropped out of school.

(f) The number of participating students who had previously been expelled from school.

(g) The total cost to enroll a student in the program. This cost shall be reported on a per-pupil, per-course, per-semester or trimester basis by vendor type. The total shall include costs broken down by cost for content development, content licensing, training, ~~online~~ **VIRTUAL** instruction and instructional support, personnel, hardware and software, payment to each ~~online~~ **VIRTUAL** learning provider, and other costs associated with operating ~~online~~ **VIRTUAL** learning.

(h) The name of each ~~online~~ **VIRTUAL** education provider contracted by the district and the state in which each ~~online~~ **VIRTUAL** education provider is headquartered.

(13) Not later than March 31, ~~2016,~~ **2017,** the department shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a report summarizing the per-pupil costs by vendor type of ~~online~~ **VIRTUAL** courses available under section 21f.

(14) As used in subsections (12) and (13), "vendor type" means the following:

(a) ~~Online~~ **VIRTUAL** courses provided by the Michigan Virtual University.

(b) ~~Online~~ **VIRTUAL** courses provided by a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551.

(c) ~~Online~~ **VIRTUAL** courses provided by third party vendors not affiliated with a Michigan public school.

(d) ~~Online~~ **VIRTUAL** courses created and offered by a district or intermediate district.

(15) An allocation to a district or another entity under this article is contingent upon the district's or entity's compliance with this section.

Sec. 19. (1) A district or intermediate district shall comply with all applicable reporting requirements specified in state and federal law. Data provided to the center, in a form and manner prescribed by the center, shall be aggregated and disaggregated as required by state and federal law. In addition, a district or intermediate district shall cooperate with all measures taken by the center to establish and maintain a statewide P-20 longitudinal data system.

(2) Each district shall furnish to the center not later than 5 weeks after the pupil membership count day and by June 30 of the school fiscal year ending in the fiscal year, in a manner prescribed by the center, the information necessary for the preparation of the district and high school graduation report. This information shall meet requirements established in the pupil auditing manual approved and published by the department. The center shall calculate an annual graduation and pupil dropout rate for each high school, each district, and this state, in compliance with nationally recognized standards for these calculations. The center shall report all graduation and dropout rates to the senate and house education committees and appropriations committees, the state budget director, and the department not later than 30 days after the publication of the list described in subsection (6).

(3) By the first business day in December and by June 30 of each year, a district shall furnish to the center, in a manner prescribed by the center, information related to educational personnel as necessary for reporting required by state and federal law.

(4) By June 30 of each year, a district shall furnish to the center, in a manner prescribed by the center, information related to safety practices and criminal incidents as necessary for reporting required by state and federal law.

(5) If a district or intermediate district fails to meet the requirements of this section, the department shall withhold 5% of the total funds for which the district or intermediate district qualifies under this article until the district or intermediate district complies with all of those subsections. If the district or intermediate district does not comply with all of those subsections by the end of the fiscal year, the department shall place the amount withheld in an escrow account until the district or intermediate district complies with all of those subsections.

(6) Before publishing a list of school or district accountability designations as required by the no child left behind act of 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95,** the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

(7) ~~It is the intent of the legislature to implement not later than~~ **BEGINNING IN** 2016-2017, **THE DEPARTMENT SHALL IMPLEMENT** statewide standard reporting requirements for education data approved by the department in conjunction with the center. The department shall work with the center, intermediate districts, districts, and other interested stakeholders to ~~develop recommendations on the implementation of~~ **IMPLEMENT** this policy change. A district or intermediate district shall implement the statewide standard reporting requirements not later than ~~2014-2015~~ **2017-2018** or when a district or intermediate district updates its education data reporting system, whichever is later.

Sec. 20. (1) For ~~2015-2016,~~ **2016-2017,** both of the following apply:

(a) The basic foundation allowance is ~~$8,169.00.~~**$8,229.00.**

(b) The minimum foundation allowance is ~~$7,391.00.~~**$7,511.00.**

(2) The amount of each district's foundation allowance shall be calculated as provided in this section, using a basic foundation allowance in the amount specified in subsection (1).

(3) Except as otherwise provided in this section, the amount of a district's foundation allowance shall be calculated as follows, using in all calculations the total amount of the district's foundation allowance as calculated before any proration:

(a) Except as otherwise provided in this subdivision, for a district that had a foundation allowance for the immediately preceding state fiscal year that was **AT LEAST** equal to the minimum foundation allowance for the immediately preceding state fiscal year, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the difference between the basic foundation allowance for the current state fiscal year and basic foundation allowance for the immediately preceding state fiscal year minus ~~$23.00)~~ **$20.00)** times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year) divided by the difference between the basic foundation allowance for the current state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year]. However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year. ~~For the purposes of this subdivision, for 2015-2016, the minimum foundation allowance for the immediately preceding state fiscal year shall be considered to be $7,251.00.~~

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance for ~~2015-2016~~ **2016-2017** in an amount equal to the basic foundation allowance for ~~2015-2016.~~**2016-2017.**

(c) For a district that had a foundation allowance for the immediately preceding state fiscal year that was greater than the basic foundation allowance for the immediately preceding state fiscal year, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in

the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

(d) For a district that has a foundation allowance that is not a whole dollar amount, the district's foundation allowance shall be rounded up to the nearest whole dollar.

~~(e) For a district that received a payment under section 22c as that section was in effect for 2014-2015, the district's 2014-2015 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2014-2015 foundation allowance as otherwise calculated under this section plus the per-pupil amount of the district's equity payment for 2014-2015 under section 22c as that section was in effect for 2014-2015.~~

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the local portion of the district's foundation allowance divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to $6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the local portion of the district's foundation allowance divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For a receiving district, if school operating taxes continue to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, the taxable value per membership pupil of property in the receiving district used for the purposes of this subsection does not include the taxable value of property within the geographic area of the dissolved district. **FOR A COMMUNITY DISTRICT, IF SCHOOL OPERATING TAXES CONTINUE TO BE LEVIED BY A QUALIFYING SCHOOL DISTRICT UNDER SECTION 12B OF THE REVISED SCHOOL CODE, MCL 380.12B, WITH THE SAME GEOGRAPHIC AREA AS THE COMMUNITY DISTRICT, THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF PROPERTY IN THE COMMUNITY DISTRICT TO BE USED FOR THE PURPOSES OF THIS SUBSECTION DOES NOT INCLUDE THE TAXABLE VALUE OF PROPERTY WITHIN THE GEOGRAPHIC AREA OF THE COMMUNITY DISTRICT.**

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M.**

(6) Except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy equal to the foundation allowance of the district in which the public school academy is located or the state maximum public school academy allocation, whichever is less. For pupils in membership, other than special education pupils, in a public school academy that is a cyber school and is authorized by a school district, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy equal to the foundation allowance of the district that authorized the public school academy or the state maximum public school academy allocation, whichever is less. However, a public school academy that had an allocation under this subsection before 2009-2010 that was equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy is located and the state portion of that district's foundation allowance shall not have that allocation reduced as a result of the 2010 amendment to this subsection. Notwithstanding section 101, for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) Except as otherwise provided in this subsection, for pupils attending an achievement school and in membership in the education achievement system, other than special education pupils, the allocation calculated under this section is an amount per membership pupil other than special education pupils equal to the foundation allowance of the district in which the achievement school is located, not to exceed the basic foundation allowance. Notwithstanding section 101, for an achievement school that begins operation after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by

the achievement school after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection. For the purposes of this subsection, if a public school is transferred from a district to the state school reform/redesign district or the achievement authority under section 1280c of the revised school code, MCL 380.1280c, that public school is considered to be an achievement school within the education achievement system and not a school that is part of a district, and a pupil attending that public school is considered to be in membership in the education achievement system and not in membership in the district that operated the school before the transfer.

**(8) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL EDUCATION PUPILS, IN A COMMUNITY DISTRICT, THE ALLOCATION CALCULATED UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS IN THE COMMUNITY DISTRICT EQUAL TO THE FOUNDATION ALLOWANCE OF THE QUALIFYING SCHOOL DISTRICT, AS DESCRIBED IN SECTION 12B OF THE REVISED SCHOOL CODE, MCL 380.12B, THAT IS LOCATED WITHIN THE SAME GEOGRAPHIC AREA AS THE COMMUNITY DISTRICT.**

**(9)** ~~(8)~~ Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the lesser of the sum of the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts plus $100.00 or the highest foundation allowance among the original or affected districts. This subsection does not apply to a receiving district unless there is a subsequent consolidation or annexation that affects the district. **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M.**

**(10)** ~~(9)~~ Each fraction used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in the basic foundation allowance shall be rounded to the nearest whole dollar.

**(11)** ~~(10)~~ State payments related to payment of the foundation allowance for a special education pupil are not calculated under this section but are instead calculated under section 51a.

**(12)** ~~(11)~~ To assist the legislature in determining the basic foundation allowance for the subsequent state fiscal year, each revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue adjustment factor, and an index as follows:

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

**(13)** ~~(12)~~ Payments to districts, public school academies, or the education achievement system shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

**(14)** ~~(13)~~ If an amendment to section 2 of article VIII of the state constitution of 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this state, each foundation allowance or per-pupil payment calculation under this section may be reduced.

**(15)** ~~(14)~~ As used in this section:

(a) "Certified mills" means the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94.

(b) "Combined state and local revenue" means the aggregate of the district's state school aid received by or paid on behalf of the district under this section and the district's local school operating revenue.

(c) "Combined state and local revenue per membership pupil" means the district's combined state and local revenue divided by the district's membership excluding special education pupils.

(d) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(e) "Dissolved district" means a district that loses its organization, has its territory attached to 1 or more other districts, and is dissolved as provided under section 12 of the revised school code, MCL 380.12.

(f) "Immediately preceding state fiscal year" means the state fiscal year immediately preceding the current state fiscal year.

(g) "Local portion of the district's foundation allowance" means an amount that is equal to the difference between (the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills) and (the quotient of the product of the captured assessed valuation under tax increment financing acts times the district's certified mills divided by the district's membership excluding special education pupils).

(h) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, local school operating revenue does not include school operating taxes levied within the geographic area of the dissolved district.

(i) "Local school operating revenue per membership pupil" means a district's local school operating revenue divided by the district's membership excluding special education pupils.

(j) "Maximum public school academy allocation", except as otherwise provided in this subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year and [(the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year minus ~~$23.00)~~ **$20.00)** times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year) divided by the difference between the basic foundation allowance for the current state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year]. For the purposes of this subdivision, for ~~2015-2016,~~ **2016-2017,** the maximum public school academy allocation is ~~$7,391.00.~~**$7,511.00.**

(k) "Membership" means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(*l*) "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, or property occupied by a public school academy.

(m) "Principal residence", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

(n) "Receiving district" means a district to which all or part of the territory of a dissolved district is attached under section 12 of the revised school code, MCL 380.12.

(o) "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18 and purposes authorized under section 1211 of the revised school code, MCL 380.1211.

(p) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(q) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(r) "Taxable value per membership pupil" means taxable value, as certified by the county treasurer and reported to the department, for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.

Sec. 20d. In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and in making calculations under section 20 for ~~2015-2016,~~ **2016-2017,** the department and the department of treasury shall comply with all of the following:

(a) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of $6,500.00 or more and served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, total state school aid received by or paid on behalf of the district pursuant to this act in 1993-94 shall exclude payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services to the area vocational education center. Not later than June 30, 1996, the department shall make an adjustment under this subdivision to the district's combined state and local revenue per membership pupil in the 1994-95 state fiscal year and the department of treasury shall make a final certification of the number of mills that may be levied by the district under section 1211 of the revised school code, MCL 380.1211, as a result of the adjustment under this subdivision.

(b) If a district had an adjustment made to its 1993-94 total state school aid that excluded payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under article 5, if nonresident pupils attending the center programs were included in the district's membership for purposes of calculating the combined state and local revenue per membership pupil for 1993-94, and if there is a signed agreement by all constituent districts of the intermediate district that an adjustment under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate district center program operated by the district that had the adjustment shall be calculated as if their combined state and local revenue per membership pupil for 1993-94 included resident pupils attending the center program and excluded nonresident pupils attending the center program.

Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $18,000,000.00 for ~~2015-2016~~ **2016-2017** for payments to eligible districts under this section.

(2) The funding under this subsection is from the allocation under subsection (1). A district is eligible for funding under this subsection if the district received a payment under this section as it was in effect for 2013-2014. A district was eligible for funding in 2013-2014 if the sum of the following was less than $5.00:

(a) The increase in the district's foundation allowance or per-pupil payment as calculated under section 20 from 2012-2013 to 2013-2014.

(b) The district's equity payment per membership pupil under section 22c for 2013-2014.

(c) The quotient of the district's allocation under section 147a for 2012-2013 divided by the district's membership pupils for 2012-2013 minus the quotient of the district's allocation under section 147a for 2013-2014 divided by the district's membership pupils for 2013-2014.

(3) The amount allocated to each eligible district under subsection (2) is an amount per membership pupil equal to the amount per membership pupil the district received under this section in 2013-2014.

(4) The funding under this subsection is from the allocation under subsection (1). A district is eligible for funding under this subsection for ~~2015-2016~~ **2016-2017** if the sum of the following is less than $25.00:

(a) The increase in the district's foundation allowance or per-pupil payment as calculated under section 20 from 2014-2015 to 2015-2016.

(b) The decrease in the district's best practices per-pupil funding under section 22f from 2014-2015 to 2015-2016.

(c) The decrease in the district's pupil performance per-pupil funding under section 22j from 2014-2015 to 2015-2016.

(d) The quotient of the district's allocation under section 31a for 2015-2016 divided by the district's membership pupils for 2015-2016 minus the quotient of the district's allocation under section 31a for 2014-2015 divided by the district's membership pupils for 2014-2015.

(5) The amount allocated to each eligible district under subsection (4) is an amount per membership pupil equal to $25.00 minus the sum of the following:

(a) The increase in the district's foundation allowance or per-pupil payment as calculated under section 20 from 2014-2015 to 2015-2016.

(b) The decrease in the district's best practices per-pupil funding under section 22f from 2014-2015 to 2015-2016.

(c) The decrease in the district's pupil performance per-pupil funding under section 22j from 2014-2015 to 2015-2016.

(d) The quotient of the district's allocation under section 31a for 2015-2016 divided by the district's membership pupils for 2015-2016 minus the quotient of the district's allocation under section 31a for 2014-2015 divided by the district's membership pupils for 2014-2015.

(6) If the allocation under subsection (1) is insufficient to fully fund payments under subsections (3) and (5) as otherwise calculated under this section, the department shall prorate payments under this section on an equal per-pupil basis.

Sec. 20g. (1) From the money appropriated under section 11, there is allocated an amount not to exceed ~~$2,200,000.00 for 2015-2016~~ **$1,200,000.00 EACH FISCAL YEAR FOR 2015-2016 AND FOR 2016-2017** for grants to eligible districts that first received payments under this section in 2013-2014 for transition costs related to the enrollment of pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, allocated as provided under subsection (3). Payments under this section shall continue for a total of 4 fiscal years following the dissolution of a district, after which the payments shall cease.

(2) A receiving school district, as that term is defined in section 12 of the revised school code, MCL 380.12, is an eligible district under this section.

(3) The amount allocated to each eligible district under this section is an amount equal to the product of the number of membership pupils enrolled in the eligible district who were previously enrolled in the dissolved school district in the school year immediately preceding the dissolution, or who reside in the geographic area of the dissolved school district and are entering kindergarten, times 10.0% of the lesser of the foundation allowance of the eligible district as calculated under section 20 or the basic foundation allowance under section 20(1).

**(4) IT IS THE INTENT OF THE LEGISLATURE THAT AN AMOUNT NOT TO EXCEED $660,000.00 BE LAPSED FROM THE $2,500,000.00 THAT WAS AVAILABLE FOR A QUALIFYING INTERMEDIATE DISTRICT UNDER THIS SECTION AS IT WAS IN EFFECT FOR THE 2013-2014 FISCAL YEAR. IN ADDITION TO THE MONEY ALLOCATED UNDER SUBSECTION (1), FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS**

**ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED $660,000.00 TO A QUALIFYING INTERMEDIATE DISTRICT FOR PAYING OUTSTANDING DEBT OF A DISSOLVED SCHOOL DISTRICT. FOR PURPOSES OF THIS SUBSECTION, AN INTERMEDIATE DISTRICT IS A QUALIFYING INTERMEDIATE DISTRICT IF IT IS REQUIRED TO PERFORM THE FUNCTIONS AND SATISFY THE RESPONSIBILITIES OF A DISSOLVED SCHOOL DISTRICT UNDER SECTION 12(3) OF THE REVISED SCHOOL CODE, MCL 380.12, IF THE AUTHORIZATION FOR THAT DISSOLVED SCHOOL DISTRICT TO LEVY MILLS FOR SCHOOL OPERATING PURPOSES UNDER SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211, WAS NOT RENEWED AFTER THE SCHOOL DISTRICT WAS DISSOLVED, AND IF THE INTERMEDIATE DISTRICT IS LOCATED IN A COUNTY WITH A POPULATION OF LESS THAN 250,000.**

**(5)** ~~(4)~~ As used in this section, "dissolved school district" means a school district that has been declared dissolved under section 12 of the revised school code, 1976 PA 451, MCL 380.12.

**SEC. 20M. (1) FOUNDATION ALLOWANCE SUPPLEMENTAL PAYMENTS FOR 2016-2017 TO DISTRICTS THAT IN THE 2015-2016 FISCAL YEAR HAD A FOUNDATION ALLOWANCE GREATER THAN $8,169.00 SHALL BE CALCULATED UNDER THIS SECTION.**

**(2) THE PER-PUPIL ALLOCATION TO EACH DISTRICT UNDER THIS SECTION SHALL BE THE DIFFERENCE BETWEEN THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING STATE FISCAL YEAR TO THE CURRENT STATE FISCAL YEAR IN THE BASIC FOUNDATION ALLOWANCE MINUS THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING FISCAL YEAR TO THE CURRENT STATE FISCAL YEAR IN A QUALIFYING DISTRICT'S FOUNDATION ALLOWANCE.**

**(3) IF A DISTRICT'S LOCAL REVENUE PER PUPIL DOES NOT EXCEED THE SUM OF ITS FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL ALLOCATION UNDER SUBSECTION (2), THE TOTAL PAYMENT TO THE DISTRICT CALCULATED UNDER THIS SECTION SHALL BE THE PRODUCT OF THE PER-PUPIL ALLOCATION UNDER SUBSECTION (2) MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS. IF A DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE FOUNDATION ALLOWANCE UNDER SECTION 20 BUT DOES NOT EXCEED THE SUM OF THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL ALLOCATION UNDER SUBSECTION (2), THE TOTAL PAYMENT TO THE DISTRICT CALCULATED UNDER THIS SECTION SHALL BE THE PRODUCT OF THE DIFFERENCE BETWEEN THE SUM OF THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL ALLOCATION UNDER SUBSECTION (2) MINUS THE LOCAL REVENUE PER PUPIL MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS. IF A DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE SUM OF THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL ALLOCATION UNDER SUBSECTION (2), THERE IS NO PAYMENT CALCULATED UNDER THIS SECTION FOR THE DISTRICT.**

**(4) PAYMENTS TO DISTRICTS SHALL NOT BE MADE UNDER THIS SECTION. RATHER, THE CALCULATIONS UNDER THIS SECTION SHALL BE MADE AND USED TO DETERMINE THE AMOUNT OF STATE PAYMENTS UNDER SECTION 22B.**

**SEC. 21. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $5,000,000.00 FOR 2016-2017 TO MAKE SUPPLEMENTAL PAYMENTS TO ELIGIBLE DISTRICTS THAT ARE IDENTIFIED UNDER SECTION 1280C OF THE REVISED SCHOOL CODE, MCL 380.1280C, AS BEING AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE.**

**(2) A DISTRICT IS ELIGIBLE TO RECEIVE THE SUPPLEMENTAL PAYMENTS CALCULATED UNDER THIS SECTION FOR 3 CONSECUTIVE FISCAL YEARS IF ALL OF THE FOLLOWING CONDITIONS ARE MET:**

**(A) THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS APPOINTED A CHIEF EXECUTIVE OFFICER TO TAKE CONTROL OF 1 OR MORE PUBLIC SCHOOLS IN THE DISTRICT, AS PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED SCHOOL CODE, MCL 380.1280C, AND THERE IS AT LEAST 1 HIGH SCHOOL OPERATED BY THE DISTRICT.**

**(B) AS DETERMINED BY THE SCHOOL REFORM OFFICE, AN INTERVENTION AGREEMENT MEETING AT LEAST THE FOLLOWING CRITERIA HAS BEEN EXECUTED BY THE STATE SCHOOL REFORM/REDESIGN OFFICER AND THE DISTRICT. THE INTERVENTION AGREEMENT SHALL INCLUDE, BUT IS NOT LIMITED TO:**

**(*i*) THE RIGHTS AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER. HOWEVER, THE INTERVENTION AGREEMENT SHALL NOT MITIGATE THE AUTHORITY OF THE CHIEF EXECUTIVE OFFICER PRESCRIBED IN APPLICABLE STATUTE INCLUDING FINANCIAL AND EMPLOYMENT AUTHORITY.**

**(*ii*) THE ALLOCATION OF SUPPLEMENTAL PAYMENTS UNDER THIS SECTION.**

**(*iii*) THE COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER.**

**(*iv*) THE ROLE OF THE DISTRICT'S BOARD AND OFFICERS DURING THE INTERVENTION TERM.**

**(*v*) TERMINATION AND RENEWAL RIGHTS OF THE SCHOOL REFORM OFFICE.**

**(*vi*) LIABILITY PROVISIONS FOR THE CHIEF EXECUTIVE OFFICER.**

**(*vii*) A DISPUTE RESOLUTION PROCESS.**

**(*viii*) THE LENGTH OF THE TERM OF THE AGREEMENT.**

**(*ix*) OTHER PROVISIONS AS DETERMINED BY THE SCHOOL REFORM OFFICE FOR SUCCESSFUL IMPLEMENTATION OF THE CHIEF EXECUTIVE OFFICER INTERVENTION.**

**(C) THE DISTRICT HAS NOT ENTERED INTO AND IS NOT CURRENTLY OPERATING UNDER A LOCAL GOVERNMENT OPTION UNDER THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575, OR A SUCCESSOR ACT.**

**(3) THE STATE SCHOOL REFORM/REDESIGN OFFICER, AT LEAST ANNUALLY, SHALL APPEAR IN PERSON BEFORE THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES RESPONSIBLE FOR SCHOOL AID TO PROVIDE AN UPDATE ON THE YEARLY PROGRESS OF SCHOOLS UNDER THE CONTROL OF A CHIEF EXECUTIVE OFFICER. IN ADDITION, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL PROVIDE A QUARTERLY REPORT CONCERNING THE CHIEF EXECUTIVE OFFICER'S USE OF FUNDS TO INCREASE PUPIL ACHIEVEMENT.**

**(4) THE SUPPLEMENTAL PAYMENT PROVIDED TO A DISTRICT UNDER THIS SECTION SHALL BE CALCULATED BY MULTIPLYING THE DISTRICT'S FOUNDATION ALLOWANCE BY 20% OF THE HIGH SCHOOL'S MEMBERSHIP FOR THE PRIOR FISCAL YEAR. THE SAME DOLLAR AMOUNT SHALL CONTINUE TO BE AVAILABLE TO THE DISTRICT FOR A MAXIMUM OF 3 YEARS, SUBJECT TO THE CONDITIONS SPECIFIED IN SUBSECTION (2).**

**(5) FROM THE ALLOCATION IN SUBSECTION (1), IN ADDITION TO THE SUPPLEMENTAL PAYMENTS CALCULATED UNDER SUBSECTION (4), THERE IS ALLOCATED AN AMOUNT SUFFICIENT TO PAY FOR THE APPOINTMENT OF CHIEF EXECUTIVE OFFICERS BY THE STATE SCHOOL REFORM/REDESIGN OFFICER, AS PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED SCHOOL CODE, MCL 380.1280C.**

**(6) FOR THE PURPOSES OF THIS SECTION, A HIGH SCHOOL IS A SCHOOL THAT OPERATES EXCLUSIVELY ALL OF GRADES 9 TO 12.**

Sec. 21f. (1) ~~A pupil enrolled in a district in any of grades 6 to 12 is eligible to enroll in an online course as provided for in this section.~~ **A PRIMARY DISTRICT SHALL ENROLL AN ELIGIBLE PUPIL IN VIRTUAL COURSES IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. A PRIMARY DISTRICT SHALL NOT OFFER A VIRTUAL COURSE TO AN ELIGIBLE PUPIL UNLESS THE VIRTUAL COURSE IS PUBLISHED IN THE PRIMARY DISTRICT'S CATALOG OF BOARD-APPROVED COURSES OR IN THE STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY PURSUANT TO SECTION 98. THE PRIMARY DISTRICT SHALL ALSO PROVIDE ON ITS PUBLICLY ACCESSIBLE WEBSITE A LINK TO THE STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY. UNLESS THE PUPIL IS AT LEAST AGE 18 OR IS AN EMANCIPATED MINOR, A PUPIL SHALL NOT BE ENROLLED IN A VIRTUAL COURSE WITHOUT THE CONSENT OF THE PUPIL'S PARENT OR LEGAL GUARDIAN.**

(2) ~~With the consent of the pupil's parent or legal guardian, a~~ **SUBJECT TO SUBSECTION (3), A PRIMARY** district shall enroll an eligible pupil in up to 2 ~~online~~ **VIRTUAL** courses as requested by the pupil during an academic term, semester, or trimester. ~~Unless the pupil is newly enrolled in the pupil's primary district, the request for online course enrollment must be made in the academic term, semester, trimester, or summer preceding the enrollment. A district may not establish additional requirements that would prohibit a pupil from taking an online course. If a pupil has demonstrated previous success with online courses and the school leadership and the pupil's parent or legal guardian determine that it is in the best interest of the pupil, a pupil may be enrolled in more than 2 online courses in a specific academic term, semester, or trimester. Consent of the pupil's parent or legal guardian is not required if the pupil is at least age 18 or is an emancipated minor.~~

~~(3) An eligible pupil may enroll in an online course published in the pupil's primary district's catalog of online courses described in subsection (7)(a) or the statewide catalog of online courses maintained by the Michigan Virtual University pursuant to section 98.~~

**(3) A PUPIL MAY BE ENROLLED IN MORE THAN 2 VIRTUAL COURSES IN A SPECIFIC ACADEMIC TERM, SEMESTER, OR TRIMESTER IF ALL OF THE FOLLOWING CONDITIONS ARE MET:**

**(A) THE PRIMARY DISTRICT HAS DETERMINED THAT IT IS IN THE BEST INTEREST OF THE PUPIL.**

**(B) THE PUPIL AGREES WITH THE RECOMMENDATION OF THE PRIMARY DISTRICT.**

**(C) THE PRIMARY DISTRICT, IN COLLABORATION WITH THE PUPIL, HAS DEVELOPED AN EDUCATION DEVELOPMENT PLAN, IN A FORM AND MANNER SPECIFIED BY THE DEPARTMENT, THAT IS KEPT ON FILE BY THE DISTRICT.**

(4) ~~A providing district or community college shall determine whether or not it has capacity to accept applications for enrollment from nonresident applicants in online courses and may use that limit as the reason for refusal to enroll an applicant.~~ If the number of ~~nonresident~~ applicants eligible for acceptance in ~~an online~~ **A VIRTUAL** course does not exceed the capacity of the ~~providing district or community college~~ **PROVIDER** to provide the ~~online~~ **VIRTUAL** course, the ~~providing district or community college~~ **PROVIDER** shall accept for enrollment all of the ~~nonresident~~ applicants eligible for acceptance. If

the number of ~~nonresident~~ applicants exceeds the ~~providing district's or community college's~~ **PROVIDER'S** capacity to provide the ~~online~~ **VIRTUAL** course, the ~~providing district or community college~~ **PROVIDER** shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders. **A PRIMARY DISTRICT THAT IS ALSO A PROVIDER SHALL DETERMINE WHETHER OR NOT IT HAS THE CAPACITY TO ACCEPT APPLICATIONS FOR ENROLLMENT FROM NONRESIDENT APPLICANTS IN VIRTUAL COURSES AND MAY USE THAT LIMIT AS THE REASON FOR REFUSAL TO ENROLL A NONRESIDENT APPLICANT.**

(5) **A PRIMARY DISTRICT MAY NOT ESTABLISH ADDITIONAL REQUIREMENTS BEYOND THOSE SPECIFIED IN THIS SUBSECTION THAT WOULD PROHIBIT A PUPIL FROM TAKING A VIRTUAL COURSE.** A pupil's primary district may deny the pupil enrollment in an online course if any of the following apply, as determined by the district:

**(A) THE PUPIL IS ENROLLED IN ANY OF GRADES K TO 5.**

**(B)** ~~(a)~~ The pupil has previously gained the credits **THAT WOULD BE** provided from the completion of the ~~online~~ **VIRTUAL** course.

**(C)** ~~(b)~~ The ~~online~~ **VIRTUAL** course is not capable of generating academic credit.

**(D)** ~~(c)~~ The ~~online~~ **VIRTUAL** course is inconsistent with the remaining graduation requirements or career interests of the pupil.

~~(d) The pupil does not possess the prerequisite knowledge and skills to be successful in the online course or has demonstrated failure in previous online coursework in the same subject.~~

**(E) THE PUPIL HAS NOT COMPLETED THE PREREQUISITE COURSEWORK FOR THE REQUESTED VIRTUAL COURSE OR HAS NOT DEMONSTRATED PROFICIENCY IN THE PREREQUISITE COURSE CONTENT.**

**(F) THE PUPIL HAS FAILED A PREVIOUS VIRTUAL COURSE IN THE SAME SUBJECT DURING THE 2 MOST RECENT ACADEMIC YEARS.**

**(G)** ~~(e)~~ The ~~online~~ **VIRTUAL** course is of insufficient quality or rigor. A **PRIMARY** district that denies a pupil enrollment **REQUEST** for this reason shall ~~make a reasonable effort to assist the pupil to find an alternative course~~ **ENROLL THE PUPIL IN A VIRTUAL COURSE** in the same or a similar subject that **THE PRIMARY DISTRICT DETERMINES** is of acceptable rigor and quality.

**(H)** ~~(f)~~ The cost of the ~~online~~ **VIRTUAL** course exceeds the amount identified in subsection ~~(10),~~ **(9),** unless the **PUPIL OR THE** pupil's parent or legal guardian agrees to pay the cost that exceeds this amount.

**(I)** ~~(g)~~ The ~~online course enrollment~~ request ~~does~~ **FOR A VIRTUAL COURSE ENROLLMENT DID** not occur within the same timelines established by the primary district for enrollment and schedule changes for regular courses.

**(J) THE REQUEST FOR A VIRTUAL COURSE ENROLLMENT WAS NOT MADE IN THE ACADEMIC TERM, SEMESTER, TRIMESTER, OR SUMMER PRECEDING THE ENROLLMENT. THIS SUBDIVISION DOES NOT APPLY TO A REQUEST MADE BY A PUPIL WHO IS NEWLY ENROLLED IN THE PRIMARY DISTRICT.**

(6) If a pupil is denied enrollment in ~~an online~~ **A VIRTUAL** course by the pupil's primary district, the **PRIMARY DISTRICT SHALL PROVIDE WRITTEN NOTIFICATION TO THE PUPIL OF THE DENIAL, THE REASON OR REASONS FOR THE DENIAL PURSUANT TO SUBSECTION (5), AND A DESCRIPTION OF THE APPEAL PROCESS. THE** pupil may appeal the denial by submitting a letter to the superintendent of the intermediate district in which the pupil's primary district is located. The letter of appeal shall include the reason provided by the primary district for not enrolling the pupil and the reason why the pupil is claiming that the enrollment should be approved. The intermediate district superintendent or designee shall respond to the appeal within 5 days after it is received. If the intermediate district superintendent or designee determines that the denial of enrollment does not meet 1 or more of the reasons specified in subsection (5), the primary district shall ~~allow~~ **ENROLL** the pupil ~~to enroll~~ in the ~~online~~ **VIRTUAL** course.

(7) To provide ~~an online~~ **A VIRTUAL** course **TO AN ELIGIBLE PUPIL** under this section, ~~the providing district or intermediate district~~ **A PROVIDER** shall do all of the following:

(a) ~~Provide the Michigan Virtual University with the course syllabus in a form and method prescribed by the Michigan Virtual University for inclusion in a statewide online course catalog. The district or intermediate district shall also provide on its publicly accessible website a link to the course syllabi for all of the online courses offered by the district or intermediate district and a link to the statewide catalog of online courses maintained by the Michigan Virtual University.~~ **ENSURE THAT THE VIRTUAL COURSE HAS BEEN PUBLISHED IN THE PUPIL'S PRIMARY DISTRICT'S CATALOG OF BOARD-APPROVED COURSES OR PUBLISHED IN THE STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY.**

(b) Assign to each pupil a teacher of record and provide the primary district with the ~~personal~~ **PERSONNEL** identification code **ASSIGNED BY THE CENTER** for the teacher of record. **IF THE PROVIDER IS A COMMUNITY COLLEGE, THE VIRTUAL COURSE MUST BE TAUGHT BY AN INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.**

(c) Offer the ~~online~~ **VIRTUAL** course on an open entry and exit method, or aligned to a semester, trimester, or accelerated academic term format.

**(D) IF THE VIRTUAL COURSE IS OFFERED TO ELIGIBLE PUPILS IN MORE THAN 1 DISTRICT, THE FOLLOWING ADDITIONAL REQUIREMENTS MUST ALSO BE MET:**

**(*i*) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH A COURSE SYLLABUS THAT MEETS THE DEFINITION UNDER SUBSECTION (14)(G) IN A FORM AND MANNER PRESCRIBED BY THE MICHIGAN VIRTUAL UNIVERSITY FOR INCLUSION IN A STATEWIDE CATALOG OF VIRTUAL COURSES.**

**(*ii*)** ~~(d)~~ Not later than October 1 ~~, 2015,~~ **OF EACH FISCAL YEAR,** provide the Michigan Virtual University with ~~the number of enrollments in each online~~ **AN AGGREGATED COUNT OF ENROLLMENTS FOR EACH VIRTUAL** course the ~~district or intermediate district provided~~ **PROVIDER DELIVERED** to pupils pursuant to this section ~~in~~ **DURING** the immediately preceding school year, and the number of enrollments in which the pupil earned 60% or more of the total course points for each ~~online~~ **VIRTUAL** course.

(8) To provide an online course under this section, a community college shall ~~do all of the following:~~

~~(a) Provide the Michigan Virtual University with the course syllabus in a form and method prescribed by the Michigan Virtual University for inclusion in a statewide online course catalog.~~

~~(b) Offer the online course on an open entry and exit method, or aligned to a semester, trimester, or accelerated academic term format.~~

~~(c) Ensure~~ **ENSURE** that each online course it provides under this section generates postsecondary credit.

~~(d) Beginning with October 1, 2016, and by October 1 of each year thereafter, provide the Michigan Virtual University with the number of enrollments in each online course the community college provided to pupils pursuant to this section in the immediately preceding school year, and the number of enrollments in which the pupil earned 60% or more of the total course points for each online course.~~

~~(e) Be taught by an instructor employed by or contracted through the community college.~~

(9) For any ~~online~~ **VIRTUAL** course a pupil enrolls in under this section, the pupil's primary district must assign to the pupil a mentor ~~to monitor the pupil's progress during the online course~~ and shall supply the ~~providing district~~ **PROVIDER** with the mentor's contact information.

(10) For a pupil enrolled in 1 or more ~~online~~ **VIRTUAL** courses**,** ~~published in the pupil's primary district's catalog of online courses under subsection (7) or in the statewide catalog of online courses maintained by the Michigan Virtual University,~~ the primary district shall use foundation allowance or per-pupil funds calculated under section 20 to pay for the expenses associated with the ~~online~~ **VIRTUAL** course or courses. A **PRIMARY** district is not required to pay toward the cost of ~~an online~~ **A VIRTUAL** course an amount that exceeds 6.67% of the minimum foundation allowance for the current fiscal year as calculated under section 20.

(11) ~~An online~~ **A VIRTUAL** learning pupil shall have the same rights and access to technology in his or her primary district's school facilities as all other pupils enrolled in the pupil's primary district. **THE DEPARTMENT SHALL ESTABLISH STANDARDS FOR HARDWARE, SOFTWARE, AND INTERNET ACCESS FOR PUPILS WHO ARE ENROLLED IN MORE THAN 2 VIRTUAL COURSES IN AN ACADEMIC TERM, SEMESTER, OR TRIMESTER TAKEN AT A LOCATION OTHER THAN A SCHOOL FACILITY.**

(12) If a pupil successfully completes ~~an online~~ **A VIRTUAL** course, as determined by the pupil's primary district, the pupil's primary district shall grant appropriate academic credit for completion of the course and shall count that credit toward completion of graduation and subject area requirements. A pupil's school record and transcript shall identify the ~~online~~ **VIRTUAL** course title as it appears in the ~~online~~ **VIRTUAL** course syllabus.

(13) The enrollment of a pupil in 1 or more ~~online~~ **VIRTUAL** courses shall not result in a pupil being counted as more than 1.0 full-time equivalent pupils under this article. **THE MINIMUM REQUIREMENTS TO COUNT THE PUPIL IN MEMBERSHIP ARE THOSE ESTABLISHED BY THE PUPIL ACCOUNTING MANUAL AS IT WAS IN EFFECT FOR THE 2015-2016 SCHOOL YEAR OR AS SUBSEQUENTLY AMENDED BY THE DEPARTMENT IF THE DEPARTMENT NOTIFIES THE LEGISLATURE ABOUT THE PROPOSED AMENDMENT AT LEAST 60 DAYS BEFORE THE AMENDMENT BECOMES EFFECTIVE.**

~~(14) The portion of the full-time equated pupil membership for which a pupil is enrolled in 1 or more online courses under this section shall not be transferred under the pupil transfer process under section 25e.~~

**(14)** ~~(15)~~ As used in this section:

**(A) "INSTRUCTOR" MEANS AN INDIVIDUAL WHO IS EMPLOYED BY OR CONTRACTED THROUGH A COMMUNITY COLLEGE.**

**(B)** ~~(a)~~ "Mentor" means a professional employee of the primary district who monitors the pupil's progress, ensures the pupil has access to needed technology, is available for assistance, and ensures access to the teacher of record. A mentor may also serve as the teacher of record if **THE PRIMARY DISTRICT IS THE PROVIDER FOR THE VIRTUAL COURSE AND** the mentor meets the requirements under subdivision ~~(g).~~**(E).**

~~(b) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive Internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and, if the course is provided by a district or intermediate district, in which a teacher who holds a valid Michigan teaching certificate that qualifies the teacher to teach the course is responsible for providing instruction, determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.~~

~~(c) "Online course syllabus" means a document that includes all of the following:~~

~~(*i*) The state academic standards addressed in an online course.~~

~~(*ii*) The online course content outline.~~

~~(*iii*) The online course required assessments.~~

~~(*iv*) The online course prerequisites.~~

~~(*v*) Expectations for actual instructor contact time with the online learning pupil and other pupil-to-instructor communications.~~

~~(*vi*) Academic support available to the online learning pupil.~~

~~(*vii*) The online course learning outcomes and objectives.~~

~~(*viii*) The name of the institution or organization providing the online content.~~

~~(*ix*) The name of the institution or organization providing the online instructor.~~

~~(*x*) The course titles assigned by the district or intermediate district and the course titles and course codes from the National Center for Education Statistics (NCES) school codes for the exchange of data (SCED).~~

~~(*xi*) The number of eligible nonresident pupils that will be accepted by the district or intermediate district in the online course.~~

~~(*xii*) The results of the online course quality review using the guidelines and model review process published by the Michigan Virtual University.~~

~~(d) "Online learning pupil" means a pupil enrolled in 1 or more online courses.~~

**(C)** ~~(e)~~ "Primary district" means the district that enrolls the pupil and reports the pupil ~~as a full-time equated pupil~~ for pupil membership purposes.

**(D)** ~~(f) "Providing district"~~ **"PROVIDER"** means the district, intermediate district, or community college that the primary district pays to provide the ~~online~~ **VIRTUAL** course **OR THE MICHIGAN VIRTUAL UNIVERSITY IF IT IS PROVIDING THE VIRTUAL COURSE**.

**(E)** ~~(g)~~ "Teacher of record" means a teacher who ~~holds a valid Michigan teaching certificate; who, if applicable, is endorsed in the subject area and grade of the online course; and is responsible for providing instruction, determining instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.~~ **MEETS ALL OF THE FOLLOWING:**

**(*i*) HOLDS A VALID MICHIGAN TEACHING CERTIFICATE OR A TEACHING PERMIT RECOGNIZED BY THE DEPARTMENT.**

**(*ii*) IF APPLICABLE, IS ENDORSED IN THE SUBJECT AREA AND GRADE OF THE VIRTUAL COURSE.**

**(*iii*) IS RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION STRATEGIES AND MODIFYING LESSONS, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.**

**(*iv*) HAS A PERSONNEL IDENTIFICATION CODE PROVIDED BY THE CENTER.**

**(*v*) IF THE PROVIDER IS A COMMUNITY COLLEGE, IS AN INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.**

**(F) "VIRTUAL COURSE" MEANS A COURSE OF STUDY THAT IS CAPABLE OF GENERATING A CREDIT OR A GRADE AND THAT IS PROVIDED IN AN INTERACTIVE LEARNING ENVIRONMENT WHERE THE MAJORITY OF THE CURRICULUM IS DELIVERED USING THE INTERNET AND IN WHICH PUPILS MAY BE SEPARATED FROM THEIR INSTRUCTOR OR TEACHER OF RECORD BY TIME OR LOCATION, OR BOTH.**

**(G) "VIRTUAL COURSE SYLLABUS" MEANS A DOCUMENT THAT INCLUDES ALL OF THE FOLLOWING:**

**(*i*) AN ALIGNMENT DOCUMENT DETAILING HOW THE COURSE MEETS APPLICABLE STATE STANDARDS OR, IF THE STATE DOES NOT HAVE STATE STANDARDS, NATIONALLY RECOGNIZED STANDARDS.**

**(*ii*) THE VIRTUAL COURSE CONTENT OUTLINE.**

**(*iii*) THE VIRTUAL COURSE REQUIRED ASSESSMENTS.**

**(*iv*) THE VIRTUAL COURSE PREREQUISITES.**

**(*v*) EXPECTATIONS FOR ACTUAL INSTRUCTOR OR TEACHER OF RECORD CONTACT TIME WITH THE VIRTUAL LEARNING PUPIL AND OTHER COMMUNICATIONS BETWEEN A PUPIL AND THE INSTRUCTOR OR TEACHER OF RECORD.**

**(*vi*) ACADEMIC SUPPORT AVAILABLE TO THE VIRTUAL LEARNING PUPIL.**

**(*vii*) THE VIRTUAL COURSE LEARNING OUTCOMES AND OBJECTIVES.**

**(*viii*) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE VIRTUAL CONTENT.**

**(*ix*) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE INSTRUCTOR OR TEACHER OF RECORD.**

**(*x*) THE COURSE TITLES ASSIGNED BY THE PROVIDER AND THE COURSE TITLES AND COURSE CODES FROM THE NATIONAL CENTER FOR EDUCATION STATISTICS (NCES) SCHOOL CODES FOR THE EXCHANGE OF DATA (SCED).**

**(*xi*) THE NUMBER OF ELIGIBLE PUPILS THAT WILL BE ACCEPTED BY THE PROVIDER IN THE VIRTUAL COURSE. A PRIMARY DISTRICT THAT IS ALSO THE PROVIDER MAY LIMIT THE ENROLLMENT TO THOSE PUPILS ENROLLED IN THE PRIMARY DISTRICT.**

**(*xii*) THE RESULTS OF THE VIRTUAL COURSE QUALITY REVIEW USING THE GUIDELINES AND MODEL REVIEW PROCESS PUBLISHED BY THE MICHIGAN VIRTUAL UNIVERSITY.**

**(H) "VIRTUAL LEARNING PUPIL" MEANS A PUPIL ENROLLED IN 1 OR MORE VIRTUAL COURSES.**

**SEC. 21G. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $500,000.00 FOR 2016-2017 FOR A GRANT TO A PUBLIC-PRIVATE PARTNERSHIP, LED BY THE MICHIGAN CENTER OF INNOVATION IN EDUCATION, A MICHIGAN-BASED NONPROFIT ORGANIZATION THAT IS EXEMPT FROM FEDERAL TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501(C)(3), IN PARTNERSHIP WITH THE MICHIGAN ASSOCIATION OF INTERMEDIATE SCHOOL ADMINISTRATORS, AND IN COORDINATION WITH THE DEPARTMENT AND THE CENTER, TO DEVELOP AND PILOT A COMPETENCY-BASED TRANSCRIPT AND MARKETPLACE TO PROVIDE ENHANCED CHOICE TO PUPILS AND PARENTS FOR THE COMPLETION OF THE REQUIREMENTS FOR A HIGH SCHOOL DIPLOMA UNDER THE MICHIGAN MERIT STANDARD UNDER SECTIONS 1278A AND 1278B OF THE REVISED SCHOOL CODE, MCL 380.1278A AND 380.1278B.**

**(2) THE PARTNERSHIP UNDER SUBSECTION (1) SHALL DO ALL OF THE FOLLOWING:**

**(A) ESTABLISH AN ARTICULATION FRAMEWORK FOR MICHIGAN ACADEMIC, TECHNICAL, AND GLOBAL COMPETENCIES OF PREKINDERGARTEN THROUGH HIGH SCHOOL DIPLOMA REQUIREMENTS, INCLUDING PROVIDING FOR CAREER AND TECHNICAL AND DUAL ENROLLMENT OPPORTUNITIES.**

**(B) ESTABLISH ASSESSMENT CRITERIA FOR MEASURING THESE COMPETENCIES AND AWARDING UNIVERSALLY RECOGNIZED CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS FOR DEMONSTRATED COMPETENCIES INDEPENDENT OF STATE-ADMINISTERED ASSESSMENTS.**

**(C) IDENTIFY A MEANS OF ACCREDITING EDUCATION SERVICE PROVIDERS AS COMPETENCY-BASED CREDENTIALING ORGANIZATIONS TO FACILITATE ANY-TIME, ANY-PACE, ANY-WAY, ANY-PLACE LEARNING SUCH THAT CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS CAN BE EARNED INSIDE AND OUTSIDE TRADITIONAL CLASSROOM SETTINGS.**

**(D) DEVELOP AND PILOT A PUPIL-OWNED TRANSCRIPT THAT SATISFIES POSTSECONDARY INSTITUTION REQUIREMENTS FOR ADMISSION AND ALLOWS PUPILS TO ACCUMULATE CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS REQUIRED FOR HIGH SCHOOL GRADUATION, POSTSECONDARY MATRICULATION, AND EARLY CAREER SUCCESS.**

**(E) ESTABLISH AND PILOT A MARKETPLACE OF ACCREDITED EDUCATION SERVICE PROVIDERS TO PROVIDE ENHANCED CHOICE FOR PUPILS AND PARENTS WHEN SELECTING CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS NEEDED TO SATISFY MICHIGAN HIGH SCHOOL DIPLOMA REQUIREMENTS, INCLUDING CAREER AND TECHNICAL AND DUAL ENROLLMENT OPPORTUNITIES.**

**(3) ACCREDITED EDUCATION SERVICE PROVIDERS SHALL INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:**

**(A) DISTRICTS AND PUBLIC CAREER AND TECHNICAL PROGRAMS.**

**(B) PRESCHOOL, AFTER-SCHOOL, AND OTHER QUALIFYING PROGRAMS.**

**(C) MUSEUMS, HISTORICAL SOCIETIES, SCIENCE CENTERS, AND OTHER COMMUNITY EDUCATION ORGANIZATIONS.**

**(D) BUSINESS AND CIVIC ORGANIZATIONS AND OTHER INSTITUTIONS PROVIDING INTERNSHIP AND APPRENTICESHIP OPPORTUNITIES.**

**(E) COMMUNITY COLLEGES, TRADE SCHOOLS, AND UNIVERSITIES OFFERING DUAL ENROLLMENT OPPORTUNITIES.**

**(4) THE TRANSCRIPT AND MARKETPLACE SHALL DO ALL OF THE FOLLOWING:**

**(A) USE MICHIGAN-SPECIFIC ACADEMIC STANDARDS WHEN DEFINING ACADEMIC COMPETENCIES.**

**(B) USE INDUSTRY STANDARDS FOR THE COMPETENCY ASSESSMENT.**

**(C) USE INDUSTRY STANDARDS FOR ARTICULATING AND TRANSCRIPTING OF CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS.**

**(D) OFFER ITS SERVICES AT NO COST TO PUPILS OR PARENTS.**

**(5) NOT MORE THAN 50% OF THE FUNDS AWARDED TO A GRANTEE UNDER THIS SECTION SHALL BE INITIALLY DISTRIBUTED TO THE GRANTEE. TO RECEIVE THE REMAINING DISTRIBUTION OF FUNDS, THE GRANTEE SHALL PROVIDE TO THE DEPARTMENT A PROGRESS REPORT ON THE DEVELOPMENT AND PILOTING OF THE COMPETENCY-BASED TRANSCRIPT AND MARKETPLACE DESCRIBED IN THIS SECTION, AND THE DEPARTMENT SHALL ONLY RELEASE THE REMAINING FUNDS IF, UPON REVIEW OF THIS PROGRESS REPORT, THE DEPARTMENT DETERMINES THAT SUFFICIENT PROGRESS HAS BEEN MADE BY THE GRANTEE.**

**(6) UPON COMPLETION OF THE PILOT DESCRIBED IN THIS SECTION, THE GRANTEE SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID DETAILING THE PROJECT'S EXPENDITURES, PUPILS SERVED, SUCCESSES AND CHALLENGES, AND FEASIBILITY FOR EXPANDING THE PROJECT STATEWIDE.**

Sec. 22a. (1) From the appropriation in section 11, there is allocated ~~an amount not to exceed $5,377,000,000.00 for 2014-2015 and~~ an amount not to exceed ~~$5,281,700,000.00~~ **$5,260,000,000.00** for 2015-2016 **AND AN AMOUNT NOT TO EXCEED $5,205,000,000.00 FOR 2016-2017** for payments to districts and qualifying public school academies to guarantee each district and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) To ensure that a district receives an amount equal to the district's 1994-95 total state and local per pupil revenue for school operating purposes, there is allocated to each district a state portion of the district's 1994-95 foundation allowance in an amount calculated as follows:

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or $6,500.00, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, taxable value per membership pupil of all property in the receiving district that is nonexempt property and taxable value per membership pupil of property in the receiving district that is commercial personal property do not include property within the geographic area of the dissolved district; ad valorem property tax revenue of the receiving district captured under tax increment financing acts does not include ad valorem property tax revenue captured within the geographic boundaries of the dissolved district under tax increment financing acts; and certified mills do not include the certified mills of the dissolved district.

(b) For a district that had a 1994-95 foundation allowance greater than $6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus $6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under tax increment financing acts divided by the district's membership. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, ad valorem property tax revenue captured under tax increment financing acts do not include ad valorem property tax revenue captured within the geographic boundaries of the dissolved district under tax increment financing acts.

(3) Beginning in 2003-2004, for pupils in membership in a qualifying public school academy, there is allocated under this section to the authorizing body that is the fiscal agent for the qualifying public school academy for forwarding to the qualifying public school academy an amount equal to the 1994-95 per pupil payment to the qualifying public school academy under section 20.

(4) A district or qualifying public school academy may use funds allocated under this section in conjunction with any federal funds for which the district or qualifying public school academy otherwise would be eligible.

(5) Except as otherwise provided in this subsection, for a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance. This subsection does not apply to a receiving district unless there is a subsequent consolidation or annexation that affects the district.

(6) Payments under this section are subject to section 25f.

(7) As used in this section:

(a) "1994-95 foundation allowance" means a district's 1994-95 foundation allowance calculated and certified by the department of treasury or the superintendent under former section 20a as enacted in 1993 PA 336 and as amended by 1994 PA 283.

(b) "Certified mills" means the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94.

(c) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(d) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's current year taxable value per membership pupil. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, taxable value per membership pupil does not include the taxable value of property within the geographic area of the dissolved district.

(e) "Dissolved district" means a district that loses its organization, has its territory attached to 1 or more other districts, and is dissolved as provided under section 12 of the revised school code, MCL 380.12.

(f) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than $6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, and property occupied by a public school academy could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.

(g) "Homestead", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

(h) "Membership" means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(i) "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, or property occupied by a public school academy.

(j) "Qualifying public school academy" means a public school academy that was in operation in the 1994-95 school year and is in operation in the current state fiscal year.

(k) "Receiving district" means a district to which all or part of the territory of a dissolved district is attached under section 12 of the revised school code, MCL 380.12.

(*l*) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes as defined in section 20.

(m) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(n) "Taxable value per membership pupil" means each of the following divided by the district's membership:

(*i*) For the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, and property occupied by a public school academy may be reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable value of homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, and property occupied by a public school academy for the calendar year ending in the current state fiscal year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, mills do not include mills within the geographic area of the dissolved district.

(*ii*) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.

Sec. 22b. (1) ~~From the appropriation in section 11,~~ **FOR DISCRETIONARY NONMANDATED PAYMENTS TO DISTRICTS UNDER THIS SECTION, THERE IS ALLOCATED FROM THE APPROPRIATION IN SECTION 11 AN AMOUNT NOT TO EXCEED $3,692,000,000.00 FOR 2015-2016, AND** there is allocated **FOR 2016-2017** an amount not to exceed ~~$3,440,000,000.00 for 2014-2015 and an amount not to exceed $3,728,000,000.00 for 2015-2016 for discretionary nonmandated payments to districts under this section. Funds~~ **$3,828,000,000.00 FROM THE STATE SCHOOL AID FUND**

**AND GENERAL FUND APPROPRIATIONS IN SECTION 11 AND AN AMOUNT NOT TO EXCEED $72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND APPROPRIATION IN SECTION 11. EXCEPT FOR MONEY ALLOCATED FROM THE COMMUNITY DISTRICT TRUST FUND, MONEY** allocated under this section that ~~are~~ **IS** not expended in the state fiscal year for which ~~they were~~ **IT WAS** allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) Subject to subsection (3) and section 296, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, **20M,** 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district under sections 22a and 51c.

(3) In order to receive an allocation under subsection (1), each district shall do all of the following:

(a) Comply with section 1280b of the revised school code, MCL 380.1280b.

(b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(c) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(d) Comply with section 1230g of the revised school code, MCL 380.1230g.

(e) Comply with section 21f.

(4) Districts are encouraged to use funds allocated under this section for the purchase and support of payroll, human resources, and other business function software that is compatible with that of the intermediate district in which the district is located and with other districts located within that intermediate district.

(5) From the allocation in subsection (1), the department shall pay up to $1,000,000.00 in litigation costs incurred by this state related to commercial or industrial property tax appeals, including, but not limited to, appeals of classification, that impact revenues dedicated to the state school aid fund.

(6) From the allocation in subsection (1), the department shall pay up to $1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1 or more districts or intermediate districts against this state. If the allocation under this section is insufficient to fully fund all payments required under this section, the payments under this subsection shall be made in full before any proration of remaining payments under this section.

(7) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by an entity receiving funds under this article that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (2). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.

(8) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (7) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (2).

(9) If a claim is made in court that challenges the legislative determination of the adequacy of funding for this state's constitutional obligations or alleges that there exists an unfunded constitutional requirement, any interested party may seek an expedited review of the claim by the local claims review board. If the claim exceeds $10,000,000.00, this state may remove the action to the court of appeals, and the court of appeals shall have and shall exercise jurisdiction over the claim.

(10) If payments resulting from a final determination by the local claims review board or a court of competent jurisdiction that there has been a violation of section 29 of article IX of the state constitution of 1963 exceed the amount allocated for discretionary nonmandated payments under this section, the legislature shall provide for adequate funding for this state's constitutional obligations at its next legislative session.

(11) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX Medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX Medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

~~(12) Payments under this section are subject to section 25g.~~

Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed $5,000,000.00 is allocated for ~~2015-2016~~ **2016-2017** for supplemental payments to rural districts under this section.

(2) From the allocation under subsection (1), there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $957,300.00 for payments under this subsection to districts that meet all of the following:

(a) Operates grades K to 12.

(b) Has fewer than 250 pupils in membership.

(c) Each school building operated by the district meets at least 1 of the following:

(*i*) Is located in the Upper Peninsula at least 30 miles from any other public school building.

(*ii*) Is located on an island that is not accessible by bridge.

(3) The amount of the additional funding to each eligible district under subsection (2) shall be determined under a spending plan developed as provided in this subsection and approved by the superintendent of public instruction. The spending plan shall be developed cooperatively by the intermediate superintendents of each intermediate district in which an eligible district is located. The intermediate superintendents shall review the financial situation of each eligible district, determine the minimum essential financial needs of each eligible district, and develop and agree on a spending plan that distributes the available funding under subsection (2) to the eligible districts based on those financial needs. The intermediate superintendents shall submit the spending plan to the superintendent of public instruction for approval. Upon approval by the superintendent of public instruction, the amounts specified for each eligible district under the spending plan are allocated under subsection (2) and shall be paid to the eligible districts in the same manner as payments under section 22b.

(4) Subject to subsection (6), from the allocation in subsection (1), there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $4,042,700.00 for payments under this subsection to districts that have 7.3 or fewer pupils per square mile as determined by the department.

(5) The funds allocated under subsection (4) shall be allocated on an equal per-pupil basis.

(6) A district receiving funds allocated under subsection (2) is not eligible for funding allocated under subsection (4).

Sec. 22g. (1) From the funds appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** only an amount not to exceed ~~$5,000,000.00~~ **$500,000.00** for competitive assistance grants to districts and intermediate districts.

(2) Funds received under this section may be used for reimbursement of transition costs associated with the **DISSOLUTION,** consolidation**,** or annexation of districts or intermediate districts. Grant funding shall be available for **DISSOLUTIONS,** consolidations**,** or annexations that occur on or after June 1, ~~2015.~~ **2016.** Districts may spend funds allocated under this section over 3 fiscal years.

**(3) IN ADDITION TO THE AMOUNT ALLOCATED UNDER SUBSECTION (1), FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED $2,500,000.00 FOR GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS THAT RECEIVED A GRANT UNDER THIS SECTION AS IT WAS IN EFFECT FOR 2015-2016 FOR REIMBURSEMENT OF REMAINING TRANSITION COSTS ASSOCIATED WITH A DISSOLUTION, CONSOLIDATION, OR ANNEXATION THAT WAS APPROVED DURING 2015-2016 BY THE SCHOOL ELECTORS OF THE APPLICABLE DISTRICT OR INTERMEDIATE DISTRICT.**

Sec. 23a. (1) A dropout recovery program operated by a district qualifies for the special membership counting provisions of section 6(4)(dd) and the hours and day of pupil instruction exemption under section 101(12) if the dropout recovery program meets all of the following:

(a) Enrolls only eligible pupils.

(b) Provides an advocate. An advocate may serve in that role for more than 1 pupil but no more than 50 pupils. An advocate may be employed by the district or may be provided by an education management organization that is partnering with the district. Before an individual is assigned to be an advocate for a pupil in the dropout recovery program, the district shall comply with sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to that individual.

(c) Develops a written learning plan.

(d) Monitors the pupil's progress against the written learning plan.

(e) Requires each pupil to make satisfactory monthly progress, as defined by the district under subsection (2).

(f) Reports the pupil's progress results to the partner district at least monthly.

(g) The program may be operated on or off a district school campus, but may be operated using distance learning online only if the program provides a computer and Internet access for each eligible pupil participating in the program.

(h) Is operated throughout the entire calendar year.

(i) If the district partners with an education management organization for the program, the education management organization has a dropout recovery program partnership relationship with at least 1 other district.

(2) A district operating a dropout recovery program under this section shall adopt a definition of satisfactory monthly progress that is consistent with the definition of that term under subsection (3).

(3) As used in this section:

(a) "Advocate" means an adult available to meet in person with assigned pupils, as needed, to conduct social interventions, to proctor final examinations, and to provide academic and social support to pupils enrolled in the district's dropout recovery program.

(b) "Education management organization" means a private provider that operates 1 or more other dropout recovery programs that meet the requirements of this section in partnership with 1 or more districts.

(c) "Eligible pupil" means a pupil who has been expelled from school under the mandatory expulsion provisions in section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a, a pupil who has been suspended or expelled from school under a local policy, a pupil who is referred by a court, a pupil who is pregnant or is a parent, a pupil who was previously a dropout, or a pupil who is determined by the district to be at risk of dropping out.

(d) "Satisfactory monthly progress" means an amount of progress that is measurable on a monthly basis and that, if continued for a full 12 months, would result in the same amount of academic credit being awarded to the pupil as would be awarded to a general education pupil completing a full school year. Satisfactory monthly progress may include a lesser required amount of progress for the first 2 months a pupil participates in the program.

**(E) "TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A VALID MICHIGAN TEACHING CERTIFICATE; WHO, IF APPLICABLE, IS ENDORSED IN THE SUBJECT AREA AND GRADE OF THE COURSE; AND IS RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.**

**(F)** ~~(e)~~ "Written learning plan" means a written plan developed in conjunction with the advocate that includes the plan start and end dates, courses to be taken, credit to be earned for each course, teacher of record for each course, and advocate name and contact information.

Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $8,000,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of health and human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of health and human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district shall be calculated as prescribed under subsection (2).

(2) The total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per-pupil allocation for the district or intermediate district. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils assigned by a court or the department of health and human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of health and human services or the department of licensing and regulatory affairs and approved by the department to provide an on-grounds education program. Added cost shall be computed by deducting all other revenue received under this article for pupils described in this section from total costs, as approved by the department, in whole or in part, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

(b) "Department's approved per-pupil allocation" for a district or intermediate district shall be determined by dividing the total amount allocated under this section for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this section for that fiscal year for the district or intermediate district.

(3) A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational program for those pupils that is longer than 181 days, but not longer than 233 days, if the child caring institution was licensed as a child caring institution and offered in 1991-92 an on-grounds educational program that was longer than 181 days but not longer than 233 days and that was operated by a district or intermediate district.

(4) Special education pupils funded under section 53a shall not be funded under this section.

Sec. 24a. From the appropriation in section 11, there is allocated an amount not to exceed ~~$2,189,800.00~~ **$1,301,000.00** for 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $1,328,100.00 FOR 2016-2017** for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of health and human services. Each intermediate district shall receive an amount equal to the state share of those costs that are clearly and directly attributable to the educational programs for pupils placed in facilities described in this section that are located within the intermediate district's boundaries. The intermediate districts receiving payments under this section shall cooperate with the department of health and human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of health and human services for educational programs for pupils described in this section. Pupils described in this section are not eligible to be funded under section 24. However, a program responsibility or other fiscal responsibility associated with these pupils shall not be transferred from the department of health and human services to a district or intermediate district unless the district or intermediate district consents to the transfer.

Sec. 24c. From the appropriation in section 11, there is allocated an amount not to exceed ~~$1,497,400.00 for 2015-2016~~ **$1,632,400.00 FOR 2016-2017** for payments to districts for pupils who are enrolled in a nationally administered community-based education and youth mentoring program, known as the youth challenge program, that is administered by the department of military and veterans affairs. Both of the following apply to a district receiving payments under this section:

(a) The district shall contract with the department of military and veterans affairs to ensure that all funding allocated under this section is utilized by the district and the department of military and veterans affairs for the youth challenge program.

(b) The district may retain for its administrative expenses an amount not to exceed 3% of the amount of the payment the district receives under this section.

Sec. 25e. (1) The pupil membership transfer application and pupil transfer process administered by the center under this section shall be used for processing pupil transfers **ASSOCIATED WITH STRICT DISCIPLINE ACADEMIES**.

(2) If a pupil counted in membership for the pupil membership count day transfers from a district or intermediate district to enroll in ~~another district or intermediate district~~ **A STRICT DISCIPLINE ACADEMY** after the pupil membership count day and before the supplemental count day and, due to the pupil's enrollment and attendance status as of the pupil membership count day, the pupil was not counted in membership in the educating ~~district or intermediate district,~~ **STRICT DISCIPLINE ACADEMY,** the educating ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** may report the enrollment and attendance information to the center through the pupil transfer process within 30 days after the transfer or within 30 days after the pupil membership count certification date, whichever is later. Pupil transfers may be submitted no earlier than the first day after the certification deadline for the pupil membership count day and before the supplemental count day. Upon receipt of the transfer information under this subsection indicating that a pupil has enrolled and is in attendance in an educating ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** as described in this subsection, the pupil transfer process shall do the following:

(a) Notify the district in which the pupil was previously enrolled.

(b) Notify both the pupil auditing staff of the intermediate district in which the educating ~~district~~ **STRICT DISCIPLINE ACADEMY** is located and the pupil auditing staff of the intermediate district in which the district that previously enrolled the pupil is located. The pupil auditing staff shall investigate a representative sample based on required audit sample sizes in the pupil auditing manual and may deny the pupil membership transfer.

(c) Aggregate the districtwide changes and notify the department for use in adjusting the state aid payment system.

(3) The department shall do all of the following:

(a) Adjust the membership calculation for each district or intermediate district in which the pupil was previously counted in membership or that previously received an adjustment in its membership calculation under this section due to a change in the pupil's enrollment and attendance so that the district's or intermediate district's membership is prorated to allow the district or intermediate district to receive for each school day, as determined by the financial calendar furnished by the center, in which the pupil was enrolled and in attendance in the district or intermediate district an amount equal to 1/105 of a full-time equated membership claimed in the fall pupil membership count. The district or intermediate district shall receive a prorated foundation allowance in an amount equal to the product of the adjustment under this subdivision for the district or intermediate district multiplied by the foundation allowance or per-pupil payment as calculated under section 20 for the district or intermediate district. The foundation allowance or per-pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4).

(b) Adjust the membership calculation for the educating ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** in which the pupil is enrolled and is in attendance so that the ~~district's or intermediate district's~~ **STRICT DISCIPLINE ACADEMY'S** membership is increased to allow the ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** to receive an amount equal to the difference between the full-time equated membership claimed in the fall pupil membership count and the sum of the adjustments calculated under subdivision (a) for each district or intermediate district in which the pupil was previously enrolled and in attendance. The educating ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** shall receive a prorated foundation allowance in an amount equal to the product of the adjustment under this subdivision for the educating ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** multiplied by the ~~foundation allowance or~~ per-pupil payment as calculated under section 20 for the educating ~~district or intermediate district.~~ **STRICT DISCIPLINE ACADEMY.** The ~~foundation allowance or~~ per-pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4).

(4) The changes in calculation of state school aid required under subsection (3) shall take effect as of the date that the pupil becomes enrolled and in attendance in the educating ~~district or intermediate district,~~ **STRICT DISCIPLINE ACADEMY,** and the department shall base all subsequent payments under this article for the fiscal year to the affected districts or intermediate districts on this recalculation of state school aid.

(5) If a pupil enrolls in an educating ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** as described in subsection (2), the district or intermediate district in which the pupil is counted in membership or another educating ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** that received an adjustment in its membership calculation under subsection (3), if any, and the educating ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** shall provide to the center and the department all information they require to comply with this section.

(6) The portion of the full-time equated pupil membership for which a pupil is enrolled in 1 or more online courses under section 21f shall not be counted or transferred under the pupil transfer process under this section.

(7) ~~The~~ **IT IS THE INTENT OF THE LEGISLATURE THAT THE** center ~~shall~~ determine the number of pupils who did not reside in this state as of the ~~2015-2016~~ **2018-2019** pupil membership count day but who newly enrolled in a district or intermediate district after that pupil membership count day and before the ~~2015-2016~~ **2018-2019** supplemental count day. ~~The~~ **IT IS THE INTENT OF THE LEGISLATURE THAT THE** center ~~shall~~ further determine the number of pupils who were counted in membership for the ~~2015-2016~~ **2018-2019** pupil membership count day but who left this state before the ~~2015-2016~~

**2018-2019** supplemental count day. ~~The~~ **IN 2019-2020, THE** center shall provide a report to the senate and house appropriations subcommittees on state school aid, and to the senate and house fiscal agencies, detailing the number of pupils transferring in from another state or transferring out from this state between the pupil membership count day and supplemental count day as described in this subsection. The center shall include in the report a discussion of benefits and obstacles to developing a pupil enrollment process for pupils who newly enroll in a district or intermediate district after the pupil membership count day and before the supplemental count day, and developing a process for deducting pupils who were counted on the pupil membership count day and transfer out of this state before the supplemental count day.

(8) As used in this section:

(a) "Educating ~~district or intermediate district"~~ **STRICT DISCIPLINE ACADEMY"** means the ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** in which a pupil enrolls after the pupil membership count day or after an adjustment was made in another district's or intermediate district's membership calculation under this section due to the pupil's enrollment and attendance.

(b) "Pupil" means that term as defined under section 6 and also children receiving early childhood special education programs and services.

**(C) "STRICT DISCIPLINE ACADEMY" MEANS A STRICT DISCIPLINE ACADEMY OPERATING UNDER SECTIONS 1311B TO 1311M OF THE REVISED SCHOOL CODE, MCL 380.1311B TO 380.1311M.**

Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed ~~$1,000,000.00 for 2015-2016~~ **$750,000.00 FOR 2016-2017** for payments to strict discipline academies established under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m, as provided under this section.

(2) In order to receive funding under this section, a strict discipline academy shall first comply with section 25e and use the pupil transfer process under that section for changes in enrollment as prescribed under that section.

(3) The total amount allocated to a strict discipline academy under this section is an amount equal to the lesser of the strict discipline academy's added cost or the department's approved per-pupil allocation for the strict discipline academy. However, the sum of the amounts received by a strict discipline academy under this section and under section 24 shall not exceed the product of the strict discipline academy's per-pupil allocation calculated under section 20 multiplied by the strict discipline academy's full-time equated membership. The department shall allocate funds to strict discipline academies under this section on a monthly basis. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils enrolled and in regular daily attendance at a strict discipline academy. Added cost shall be computed by deducting all other revenue received under this article for pupils described in this subsection from total costs, as approved by the department, in whole or in part, for educating those pupils in a strict discipline academy. The department shall include all costs including, but not limited to, educational costs, insurance, management fees, technology costs, legal fees, auditing fees, interest, pupil accounting costs, and any other administrative costs necessary to operate the program or to comply with statutory requirements. Costs reimbursed by federal funds are not included.

(b) "Department's approved per-pupil allocation" for a strict discipline academy shall be determined by dividing the total amount allocated under this subsection for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this subsection for that fiscal year for the strict discipline academy.

(4) Special education pupils funded under section 53a shall not be funded under this section.

(5) If the funds allocated under this section are insufficient to fully fund the adjustments under subsection (3), payments under this section shall be prorated on an equal per-pupil basis.

(6) Payments to districts under this section shall be made according to the payment schedule under section 17b.

Sec. 25g. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed ~~$1,000,000.00 for 2015-2016~~ **$750,000.00 FOR 2016-2017** for the purposes of this section. If the operation of the special membership counting provisions under section 6(4)(dd) and the other membership counting provisions under section 6(4) result in a pupil being counted as more than 1.0 FTE in a fiscal year, then the payment made for the pupil under sections 22a and 22b shall not be based on more than 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 shall be paid under this section in an amount equal to that portion multiplied by the educating district's foundation allowance or per-pupil payment calculated under section 20.

(2) Special education pupils funded under section 53a shall not be funded under this section.

(3) If the funds allocated under this section are insufficient to fully fund the adjustments under subsection (1), payments under this section shall be prorated on an equal per-pupil basis.

(4) Payments to districts under this section shall be made according to the payment schedule under section 17b.

Sec. 26a. From the funds appropriated in section 11, there is allocated an amount not to exceed ~~$26,300,000.00~~ **$20,000,000.00** for 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $20,000,000.00 FOR 2016-2017** to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2015.~~ **2016.** The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed ~~$4,276,800.00~~ **$4,405,100.00** for payments to districts, intermediate districts, and community college districts for the portion of the payment in lieu of taxes obligation that is attributable to districts, intermediate districts, and community college districts pursuant to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, payments shall be prorated on an equal basis among all eligible districts, intermediate districts, and community college districts.

Sec. 26c. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~$610,000.00~~ **$278,000.00** for 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $1,000,000.00 FOR 2016-2017** to the promise zone fund created in subsection (3).

(2) Funds allocated to the promise zone fund under this section shall be used solely for payments to eligible districts and intermediate districts that have a promise zone development plan approved by the department of treasury under section 7 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

(3) The promise zone fund is created as a separate account within the state school aid fund to be used solely for the purposes of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679. All of the following apply to the promise zone fund:

(a) The state treasurer shall direct the investment of the promise zone fund. The state treasurer shall credit to the promise zone fund interest and earnings from fund investments.

(b) Money in the promise zone fund at the close of a fiscal year shall remain in the promise zone fund and shall not lapse to the general fund.

(4) Subject to subsection (2), the state treasurer may make payments from the promise zone fund to eligible districts and intermediate districts pursuant to the Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used for the purposes of a promise zone authority created under that act.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $389,695,500.00 for payments to eligible districts, eligible public school academies, and the education achievement system for the purposes of ensuring that pupils are proficient in reading by the end of grade 3 and that high school graduates are career and college ready and for the purposes under subsections (7) and (8).

(2) For a district or public school academy, or the education achievement system, to be eligible to receive funding under this section, other than funding under subsection (7) or (8), the sum of the district's or public school academy's or the education achievement system's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, must be less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

(3) For a district or public school academy that operates grades K to 3, or the education achievement system, to be eligible to receive funding under this section, other than funding under subsection (7) or (8), the district or public school academy, or the education achievement system, must implement, for at least grades K to 3, a multi-tiered system of supports that is an evidence-based model that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. This multi-tiered system of supports must provide at least all of the following essential elements:

(a) Implements effective instruction for all learners.

(b) Intervenes early.

(c) Provides a multi-tiered model of instruction and intervention that provides the following:

(*i*) A core curriculum and classroom interventions available to all pupils that meet the needs of most pupils.

(*ii*) Targeted group interventions.

(*iii*) Intense individual interventions.

(d) Monitors pupil progress to inform instruction.

(e) Uses data to make instructional decisions.

(f) Uses assessments including universal screening, diagnostics, and progress monitoring.

(g) Engages families and the community.

(h) Implements evidence-based, scientifically validated, instruction and intervention.

(i) Implements instruction and intervention practices with fidelity.

(j) Uses a collaborative problem-solving model.

(4) Except as otherwise provided in this subsection, an eligible district or eligible public school academy or the education achievement system shall receive under this section for each membership pupil in the district or public school academy or the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769, and as reported to the department in the form and manner prescribed by the department not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or the public school academy's or the education achievement system's per pupil amount calculated under section 20 **PLUS THE AMOUNT OF THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**, not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's or the education achievement system's per membership pupil

amount calculated under section 20 for the current state fiscal year. However, a public school academy that began operations as a public school academy, ~~or~~ an achievement school that began operations as an achievement school, **OR A COMMUNITY DISTRICT THAT FIRST ENROLLS PUPILS,** after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy**,** ~~or~~ in the education achievement system**, OR IN THE COMMUNITY DISTRICT** who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department not later than the fifth Wednesday after the pupil membership count day of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's**,** ~~or~~ the education achievement system's**, OR THE COMMUNITY DISTRICT'S** per membership pupil amount calculated under section 20 for the current state fiscal year.

(5) Except as otherwise provided in this section, a district or public school academy, or the education achievement system, receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical, mental health, or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (6), (7), (8), or (11). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (4), or the education achievement system if it meets this requirement, may use not more than 20% of the funds it receives under this section for school security. A district, the public school academy, or the education achievement system shall not use any of that money for administrative costs. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year.

(6) A district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, or the education achievement system if it operates a school breakfast program, shall use from the funds received under this section an amount, not to exceed $10.00 per pupil for whom the district or public school academy or the education achievement system receives funds under this section, necessary to pay for costs associated with the operation of the school breakfast program.

(7) From the funds allocated under subsection (1), there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed ~~$3,557,300.00~~ **$5,557,300.00** to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of health and human services. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (12) for that fiscal year. ~~In addition to the funds otherwise allocated under this subsection, from the money allocated in subsection (1), there is allocated an amount not to exceed $2,000,000.00 for 2015-2016 only for child and adolescent health centers to increase access to nurses and behavioral health services in schools, using 3 existing school clinics as hubs for services and using mobile teams to serve satellite school sites.~~

(8) From the funds allocated under subsection (1), there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded in a form and manner approved jointly by the department and the department of health and human services. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(9) Each district or public school academy receiving funds under this section and the education achievement system shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy or the education achievement system of funds under this section, which report shall include a brief description of each program conducted or services performed by the district or public school academy or the education achievement system using funds under this section, the amount of funds under this section allocated to each of those programs or services, the total number of at-risk pupils served by each of those programs or services, and the data necessary for the department and the department of health and human services to verify matching funds for the temporary assistance for needy families program. If a district or public school academy or the education achievement system does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy or the education achievement system complies with this subsection. If the district or public school academy or the education achievement system does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(10) In order to receive funds under this section, a district or public school academy or the education achievement system shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy or the education achievement system shall reimburse the state for all disallowances found in the audit.

(11) Subject to subsections (6), (7), and (8), a district may use up to 100% of the funds it receives under this section to implement schoolwide reform in schools with 40% or more of their pupils identified as at-risk pupils by providing ~~supplemental~~ instructional or noninstructional services consistent with the school improvement plan.

(12) If necessary, and before any proration required under section 296, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (4).

(13) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts were not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section. In addition, if a district is dissolved pursuant to section 12 of the revised school code, MCL 380.12, the intermediate district to which the dissolved school district was constituent shall determine the estimated number of pupils that meet the income eligibility criteria for free breakfast, lunch, or milk, as described under subsection (4), enrolled in each of the other districts within the intermediate district and provide that estimate to the department for the purposes of distributing funds under this section within 60 days after the school district is declared dissolved.

(14) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets any of the following criteria:

(a) Is a victim of child abuse or neglect.

(b) Is a pregnant teenager or teenage parent.

(c) Has a family history of school failure, incarceration, or substance abuse.

(d) For pupils for whom the results of the state summative assessment have been received, is a pupil who did not achieve proficiency on the English language arts, mathematics, science, or social studies content area assessment.

(e) Is a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics, as demonstrated on local assessments.

(f) The pupil is enrolled in a priority or priority-successor school, as defined in the elementary and secondary education act of 2001 flexibility waiver approved by the United States Department of Education.

(g) In the absence of state or local assessment data, the pupil meets at least 2 of the following criteria, as documented in a form and manner approved by the department:

(*i*) The pupil is eligible for free or reduced price breakfast, lunch, or milk.

(*ii*) The pupil is absent more than 10% of enrolled days or 10 school days during the school year.

(*iii*) The pupil is homeless.

(*iv*) The pupil is a migrant.

(*v*) The pupil is an English language learner.

(*vi*) The pupil is an immigrant who has immigrated within the immediately preceding 3 years.

(*vii*) The pupil did not complete high school in 4 years and is still continuing in school as identified in the Michigan cohort graduation and dropout report.

(15) Beginning in 2018-2019, if a district, public school academy, or the education achievement system does not demonstrate to the satisfaction of the department that at least 50% of at-risk pupils are ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE ARTS** by the end of grade 3 as measured by the state assessment for the immediately preceding school year and demonstrate to the satisfaction of the department improvement over each of the 3 immediately preceding school years in the percentage of at-risk pupils that are career- and college-ready as determined by proficiency on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g, the district, public school academy, or education achievement system shall ensure all of the following:

(a) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represents the number of pupils in grade 3 that are not ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE ARTS** by the end of grade 3, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other methods of improving grade 3 ~~reading levels.~~ **ENGLISH LANGUAGE ARTS PROFICIENCY.**

(b) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represent the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g, and the district, public school academy, or the education

achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.

(16) As used in subsection (15), "total at-risk pupils" means the sum of the number of pupils in grade 3 that are not ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE ARTS** by the end of third grade as measured on the state assessment and the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g.

(17) A district or public school academy that receives funds under this section or the education achievement system may use funds received under this section to provide an anti-bullying or crisis intervention program.

(18) The department shall collaborate with the department of health and human services to prioritize assigning Pathways to Potential Success coaches to elementary schools that have a high percentage of pupils in grades K to 3 who are not reading at grade level.

**SEC. 31B. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $1,500,000.00 FOR 2016-2017 FOR GRANTS TO AT-RISK DISTRICTS FOR IMPLEMENTING A YEAR-ROUND INSTRUCTIONAL PROGRAM FOR AT LEAST 1 OF ITS SCHOOLS.**

**(2) THE DEPARTMENT SHALL SELECT DISTRICTS FOR GRANTS UNDER THIS SECTION FROM AMONG APPLICANT DISTRICTS THAT MEET BOTH OF THE FOLLOWING:**

**(A) THE DISTRICT MEETS 1 OR BOTH OF THE FOLLOWING:**

**(*i*) IS ELIGIBLE IN 2016-2017 FOR THE COMMUNITY ELIGIBILITY OPTION FOR FREE AND REDUCED PRICE LUNCH UNDER 42 USC 1759A.**

**(*ii*) AT LEAST 50% OF THE PUPILS IN MEMBERSHIP IN THE DISTRICT MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751 TO 1769I.**

**(B) THE BOARD OF THE DISTRICT HAS ADOPTED A RESOLUTION STATING THAT THE DISTRICT WILL IMPLEMENT FOR THE FIRST TIME A YEAR-ROUND INSTRUCTIONAL CALENDAR THAT WILL BEGIN IN 2017-2018 FOR AT LEAST 1 SCHOOL OPERATED BY THE DISTRICT AND COMMITTING TO PROVIDING THE YEAR-ROUND INSTRUCTIONAL CALENDAR IN EACH OF THOSE SCHOOLS FOR AT LEAST 3 SCHOOL YEARS.**

**(3) A DISTRICT SEEKING A GRANT UNDER THIS SECTION SHALL APPLY TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT NOT LATER THAN DECEMBER 1, 2016. THE DEPARTMENT SHALL SELECT DISTRICTS FOR GRANTS AND MAKE NOTIFICATION NOT LATER THAN FEBRUARY 1, 2017.**

**(4) THE DEPARTMENT SHALL AWARD GRANTS UNDER THIS SECTION ON A COMPETITIVE BASIS, BUT SHALL GIVE PRIORITY BASED SOLELY ON CONSIDERATION OF THE FOLLOWING CRITERIA:**

**(A) GIVING PRIORITY TO DISTRICTS THAT, AS OF JUNE 30, 2016, HAD LOWER GENERAL FUND BALANCES AS A PERCENTAGE OF REVENUES.**

**(B) GIVING PRIORITY TO DISTRICTS THAT OPERATE AT LEAST 1 SCHOOL THAT HAS BEEN IDENTIFIED BY THE DEPARTMENT AS EITHER A PRIORITY SCHOOL OR A FOCUS SCHOOL.**

**(C) ENSURING THAT GRANT FUNDING INCLUDES BOTH RURAL AND URBAN DISTRICTS.**

**(5) THE AMOUNT OF A GRANT UNDER THIS SECTION TO ANY 1 DISTRICT SHALL NOT EXCEED $750,000.00.**

**(6) A GRANT PAYMENT UNDER THIS SECTION TO A DISTRICT SHALL BE USED FOR NECESSARY MODIFICATIONS TO INSTRUCTIONAL FACILITIES AND OTHER NONRECURRING COSTS OF PREPARING FOR THE OPERATION OF A YEAR-ROUND INSTRUCTIONAL PROGRAM AS APPROVED BY THE DEPARTMENT.**

**(7) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION IS NOT REQUIRED TO PROVIDE MORE THAN THE MINIMUM NUMBER OF DAYS AND HOURS OF PUPIL INSTRUCTION PRESCRIBED UNDER SECTION 101, BUT SHALL SPREAD AT LEAST THOSE MINIMUM AMOUNTS OF PUPIL INSTRUCTION OVER THE ENTIRE YEAR IN EACH OF ITS SCHOOLS IN WHICH A YEAR-ROUND INSTRUCTIONAL CALENDAR IS IMPLEMENTED. THE DISTRICT SHALL COMMIT TO PROVIDING THE YEAR-ROUND INSTRUCTIONAL CALENDAR IN EACH OF THOSE SCHOOLS FOR AT LEAST 3 SCHOOL YEARS.**

**(8) FOR A DISTRICT RECEIVING A GRANT UNDER THIS SECTION, EXCESSIVE HEAT IS CONSIDERED TO BE A CONDITION NOT WITHIN THE CONTROL OF SCHOOL AUTHORITIES FOR THE PURPOSE OF DAYS OR HOURS BEING COUNTED AS DAYS OR HOURS OF PUPIL INSTRUCTION UNDER SECTION 101(4).**

**(9) NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS TO DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

Sec. 31c. (1) from the funds appropriated in section 11, there is allocated an amount not to exceed ~~$1,000,000.00 for 2015-2016~~ **$3,000,000.00 FOR 2016-2017** for programs intended to improve public safety, reduce the number of youth involved in gang-related activity, and increase high school graduation rates.

(2) The department shall award grants to districts that form partnerships with nonprofit organizations, law enforcement, and other community resources to provide programs that divert young adults from gang-related criminal activity.

(3) Grants awarded under this section may include, but are not limited to, grants for any of the following activities:

(a) Employment training and placement programs.

(b) Counseling services.

(c) Assistance to program participants in accessing community resources for continuing education, court advocacy, and health care.

(d) Outreach programs to educate participants and their families.

(4) Each grant recipient under this section shall partner with a university to collect data necessary to evaluate the effectiveness of programs in reducing violent crime and gang-related activity in the community **AND PROVIDE A REPORT ON THIS EVALUATION TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID NOT LATER THAN DECEMBER 1, 2017**.

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed $22,495,100.00 for ~~2015-2016~~ **2016-2017** for the purpose of making payments to districts and other eligible entities under this section.

(2) The amounts allocated from state sources under this section shall be used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of the school lunch programs provided by those districts. The amount due to each district under this section shall be computed by the department using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

(3) The payments made under this section include all state payments made to districts so that each district receives at least 6.0127% of the necessary costs of operating the state mandated portion of the school lunch program in a fiscal year.

(4) The payments made under this section to districts and other eligible entities that are not required under section 1272a of the revised school code, MCL 380.1272a, to provide a school lunch program shall be in an amount not to exceed $10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each reduced price lunch provided, as determined by the department.

(5) From the federal funds appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** all available federal funding, estimated at $510,000,000.00 for the national school lunch program and all available federal funding, estimated at $3,200,000.00 for the emergency food assistance program.

(6) Notwithstanding section 17b, payments to eligible entities other than districts under this section shall be paid on a schedule determined by the department.

(7) In purchasing food for a school lunch program funded under this section, preference shall be given to food that is grown or produced by Michigan businesses if it is competitively priced and of comparable quality.

Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed ~~$5,625,000.00~~ **$2,500,000.00** for 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $2,500,000.00 FOR 2016-2017** for the purpose of making payments to districts to reimburse for the cost of providing breakfast.

(2) The funds allocated under this section for school breakfast programs shall be made available to all eligible applicant districts that meet all of the following criteria:

(a) The district participates in the federal school breakfast program and meets all standards as prescribed by 7 CFR parts 220 and 245.

(b) Each breakfast eligible for payment meets the federal standards described in subdivision (a).

(3) The payment for a district under this section is at a per meal rate equal to the lesser of the district's actual cost or 100% of the statewide average cost of a breakfast served, as determined and approved by the department, less federal reimbursement, participant payments, and other state reimbursement. The statewide average cost shall be determined by the department using costs as reported in a manner approved by the department for the preceding school year.

(4) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(5) In purchasing food for a school breakfast program funded under this section, preference shall be given to food that is grown or produced by Michigan businesses if it is competitively priced and of comparable quality.

Sec. 31h. From the funds appropriated in section 11, there is allocated an amount not to exceed $300,000.00 for ~~2015-2016~~ **2016-2017** for the purpose of providing funding to a district that educates high school pupils from another district that voluntarily closed its high school program in 2013. The funding under this section is ~~intended to be~~ for the ~~first~~ **SECOND** of 2 years, unless it is determined that the federal elementary and secondary education act allows federal title I funds that previously supported the high school pupils in their resident district to instead be provided to the educating district. Funding under this section shall be used to support the additional costs of educating high school pupils in a manner that is similar to the way title I funds provided additional support to the education of those pupils when they were educated in their resident district high school program before its closure in 2013.

**SEC. 31J. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $250,000.00 FOR 2016-2017 FOR A PILOT PROJECT TO SUPPORT DISTRICTS IN THE PURCHASE OF LOCALLY GROWN FRUITS AND VEGETABLES AS DESCRIBED IN THIS SECTION.**

**(2) THE DEPARTMENT SHALL PROVIDE FUNDING TO PROSPERITY REGIONS 2 AND 4 FOR THE PILOT PROJECT DESCRIBED UNDER THIS SECTION. FROM THE FUNDING IDENTIFIED IN SUBSECTION (1), FUNDING RETAINED BY THE PROSPERITY REGIONS FOR ADMINISTRATION OF THE PROJECT SHALL NOT EXCEED 10%, AND FUNDING RETAINED BY THE DEPARTMENT FOR ADMINISTRATION SHALL NOT EXCEED 6%.**

**(3) THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A COMPETITIVE GRANT PROGRAM FOR DISTRICTS WITHIN THE IDENTIFIED PROSPERITY REGIONS TO ASSIST IN PAYING FOR THE COSTS INCURRED BY THE DISTRICT TO PURCHASE OR INCREASE PURCHASES OF WHOLE OR MINIMALLY PROCESSED FRUITS, VEGETABLES, AND LEGUMES GROWN IN THIS STATE. THE MAXIMUM AMOUNT THAT MAY BE DRAWN DOWN ON A GRANT TO A DISTRICT SHALL BE BASED ON THE NUMBER OF MEALS SERVED BY THE SCHOOL DISTRICT DURING THE PREVIOUS SCHOOL YEAR UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751 TO 1769. THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT TO PROVIDE TRAINING TO NEWLY PARTICIPATING SCHOOLS AND ELECTRONIC INFORMATION ON MICHIGAN AGRICULTURE.**

**(4) THE GOALS OF THE PILOT PROJECT INCLUDE IMPROVING DAILY NUTRITION AND EATING HABITS FOR CHILDREN THROUGH THE SCHOOL SETTINGS WHILE INVESTING IN MICHIGAN'S AGRICULTURAL AND RELATED FOOD BUSINESS ECONOMY.**

**(5) A DISTRICT THAT RECEIVES A GRANT UNDER THIS SECTION SHALL USE THOSE FUNDS FOR THE COSTS INCURRED BY THE SCHOOL DISTRICT TO PURCHASE WHOLE OR MINIMALLY PROCESSED FRUITS, VEGETABLES, AND LEGUMES THAT MEET ALL OF THE FOLLOWING:**

**(A) ARE PURCHASED ON OR AFTER THE DATE THE DISTRICT RECEIVED NOTIFICATION FROM THE DEPARTMENT OF THE AMOUNT TO BE DISTRIBUTED TO THE DISTRICT UNDER THIS SUBSECTION, INCLUDING PURCHASES MADE TO LAUNCH MEALS IN SEPTEMBER 2016 FOR THE 2016-2017 SCHOOL YEAR.**

**(B) ARE GROWN IN THIS STATE AND, IF MINIMALLY PROCESSED, ARE ALSO PROCESSED IN THIS STATE.**

**(C) ARE USED FOR MEALS THAT ARE SERVED AS PART OF THE UNITED STATES DEPARTMENT OF AGRICULTURE'S CHILD NUTRITION PROGRAMS.**

**(6) FOR MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES THAT SATISFY THE REQUIREMENTS OF SUBSECTION (5), MATCHING REIMBURSEMENTS SHALL BE MADE IN AN AMOUNT NOT TO EXCEED 10 CENTS FOR EVERY SCHOOL MEAL THAT IS SERVED AS PART OF THE UNITED STATES DEPARTMENT OF AGRICULTURE'S CHILD NUTRITION PROGRAMS AND THAT USES MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES.**

**(7) A DISTRICT THAT RECEIVES A GRANT FOR REIMBURSEMENT UNDER THIS SECTION SHALL USE THE GRANT TO PURCHASE WHOLE OR MINIMALLY PROCESSED FRUITS, VEGETABLES, AND LEGUMES THAT ARE GROWN IN THIS STATE AND, IF MINIMALLY PROCESSED, ARE ALSO PROCESSED IN THIS STATE.**

**(8) IN AWARDING GRANTS UNDER THIS SECTION, THE DEPARTMENT SHALL WORK IN CONJUNCTION WITH PROSPERITY REGION OFFICES, IN CONSULTATION WITH MICHIGAN-BASED FARM TO SCHOOL RESOURCE ORGANIZATIONS, TO DEVELOP SCORING CRITERIA THAT ASSESS AN APPLICANT'S ABILITY TO PROCURE MICHIGAN-GROWN PRODUCTS, PREPARE AND MENU MICHIGAN-GROWN PRODUCTS, PROMOTE AND MARKET MICHIGAN-GROWN PRODUCTS, AND SUBMIT LETTERS OF INTENT FROM DISTRICTS ON PLANS FOR EDUCATIONAL ACTIVITIES THAT PROMOTE THE GOALS OF THE PROGRAM.**

**(9) THE DEPARTMENT SHALL GIVE PREFERENCE TO DISTRICTS THAT PROPOSE EDUCATIONAL ACTIVITIES THAT MEET 1 OR MORE OF THE FOLLOWING: PROMOTE HEALTHY FOOD ACTIVITIES; HAVE CLEAR EDUCATIONAL OBJECTIVES; INVOLVE PARENTS OR THE COMMUNITY; AND CONNECT TO A SCHOOL'S FARM-TO-SCHOOL PROCUREMENT ACTIVITIES.**

**(10) IN AWARDING GRANTS, THE DEPARTMENT SHALL ALSO CONSIDER ALL OF THE FOLLOWING: THE PERCENTAGE OF CHILDREN WHO QUALIFY FOR FREE OR REDUCED PRICE SCHOOL MEALS UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751 TO 1769; THE VARIETY OF SCHOOL SIZES AND GEOGRAPHIC LOCATIONS WITHIN THE IDENTIFIED PROSPERITY REGIONS; AND EXISTING OR FUTURE COLLABORATION OPPORTUNITIES BETWEEN MORE THAN 1 DISTRICT IN A PROSPERITY REGION.**

**(11) AS A CONDITION OF RECEIVING A GRANT UNDER THIS SECTION, A DISTRICT SHALL PROVIDE OR DIRECT ITS VENDORS TO PROVIDE TO PROSPERITY REGION OFFICES COPIES OF MONTHLY RECEIPTS THAT SHOW THE QUANTITY OF DIFFERENT MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES PURCHASED, THE AMOUNT OF MONEY SPENT ON EACH OF THESE PRODUCTS, AND THE NAME AND MICHIGAN LOCATION OF THE FARM THAT GREW THE PRODUCTS. THE DISTRICT SHALL ALSO PROVIDE**

**TO THE PROSPERITY REGION MONTHLY LUNCH NUMBERS AND LUNCH PARTICIPATION RATES, AND CALENDARS OR MONTHLY MENUS NOTING WHEN AND HOW MICHIGAN-GROWN PRODUCTS WERE USED IN MEALS. THE DISTRICT AND SCHOOL FOOD SERVICE DIRECTOR OR DIRECTORS ALSO SHALL AGREE TO RESPOND TO BRIEF ONLINE SURVEYS AND TO PROVIDE A REPORT THAT SHOWS THE PERCENTAGE RELATIONSHIP OF MICHIGAN SPENDING COMPARED TO TOTAL FOOD SPENDING. NOT LATER THAN MARCH 1, 2017, EACH PROSPERITY REGION OFFICE SHALL SUBMIT A REPORT TO THE DEPARTMENT ON EXPECTED OUTCOMES AND RELATED MEASUREMENTS FOR ECONOMIC DEVELOPMENT AND CHILDREN'S NUTRITION AND READINESS TO LEARN BASED ON PROGRESS SO FAR. THE REPORT SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:**

**(A) THE EXTENT TO WHICH FARMERS AND RELATED BUSINESSES, INCLUDING DISTRIBUTORS AND PROCESSORS, SEE AN INCREASE IN MARKET OPPORTUNITIES AND INCOME GENERATION THROUGH SALES OF MICHIGAN OR LOCAL PRODUCTS TO DISTRICTS. ALL OF THE FOLLOWING APPLY FOR PURPOSES OF THIS SUBDIVISION:**

**(*i*) THE DATA USED TO DETERMINE THE AMOUNT OF THIS INCREASE SHALL BE THE TOTAL DOLLAR AMOUNT OF MICHIGAN OR LOCAL FRUITS, VEGETABLES, AND LEGUMES PURCHASED BY SCHOOLS, ALONG WITH THE NUMBER OF DIFFERENT TYPES OF PRODUCTS PURCHASED; SCHOOL FOOD PURCHASING TRENDS IDENTIFIED ALONG WITH PRODUCTS THAT ARE OF NEW AND GROWING INTEREST AMONG FOOD SERVICE DIRECTORS; THE NUMBER OF BUSINESSES IMPACTED; AND THE PERCENTAGE OF TOTAL FOOD BUDGET SPENT ON MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES.**

**(*ii*) THE PROSPERITY REGION OFFICE SHALL USE PURCHASING DATA COLLECTED FOR THE PROJECT AND SURVEYS OF SCHOOL FOOD SERVICE DIRECTORS ON THE IMPACT AND SUCCESS OF THE PROJECT AS THE SOURCE FOR THE DATA DESCRIBED IN SUBPARAGRAPH (*i*).**

**(B) THE ABILITY TO WHICH PUPILS CAN ACCESS A VARIETY OF HEALTHY MICHIGAN-GROWN FOODS THROUGH SCHOOLS AND INCREASE THEIR CONSUMPTION OF THOSE FOODS. ALL OF THE FOLLOWING APPLY FOR PURPOSES OF THIS SUBDIVISION:**

**(*i*) THE DATA USED TO DETERMINE WHETHER THIS SUBPARAGRAPH IS MET SHALL BE THE NUMBER OF PUPILS EXPOSED TO MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES AT SCHOOLS; THE VARIETY OF PRODUCTS SERVED; NEW ITEMS TASTE-TESTED OR PLACED ON MENUS; AND THE INCREASE IN PUPIL WILLINGNESS TO TRY NEW LOCAL, HEALTHY FOODS.**

**(*ii*) THE PROSPERITY REGION OFFICE SHALL USE PURCHASING DATA COLLECTED FOR THE PROJECT, MEAL COUNT AND ENROLLMENT NUMBERS, SCHOOL MENU CALENDARS, AND SURVEYS OF SCHOOL FOOD SERVICE DIRECTORS AS THE SOURCE FOR THE DATA DESCRIBED IN SUBPARAGRAPH (*i*).**

**(12) THE DEPARTMENT SHALL COMPILE THE REPORTS PROVIDED BY PROSPERITY REGION OFFICES UNDER SUBSECTION (11) INTO 1 LEGISLATIVE REPORT. THE DEPARTMENT SHALL PROVIDE THIS REPORT NOT LATER THAN APRIL 1, 2017 TO THE HOUSE AND SENATE SUBCOMMITTEES RESPONSIBLE FOR SCHOOL AID, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR.**

Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great start readiness programs an amount not to exceed $243,600,000.00 for ~~2015-2016.~~ **2016-2017.** Funds allocated under this section for great start readiness programs shall be used to provide part-day, school-day, or GSRP/head start blended comprehensive free compensatory classroom programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children who meet the participant eligibility and prioritization guidelines as defined by the department. For a child to be eligible to participate in a program under this section, the child shall be at least 4, but less than 5, years of age as of ~~the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147.~~**SEPTEMBER 1 OF THE SCHOOL YEAR IN WHICH THE PROGRAM IS OFFERED AND SHALL MEET THOSE ELIGIBILITY AND PRIORITIZATION GUIDELINES.**

(2) Funds allocated under subsection (1) shall be allocated to intermediate districts or consortia of intermediate districts based on the formula in section 39. An intermediate district or consortium of intermediate districts receiving funding under this section shall act as the fiduciary for the great start readiness programs. In order to be eligible to receive funds allocated under this subsection from an intermediate district or consortium of intermediate districts, a district, a consortium of districts, or a public or private for-profit or nonprofit legal entity or agency shall comply with this section and section 39.

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed $300,000.00 for ~~2015-2016~~ **2016-2017** for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs.

(4) To be eligible for funding under this section, a program shall prepare children for success in school through comprehensive part-day, school-day, or GSRP/head start blended programs that contain all of the following program components, as determined by the department:

(a) Participation in a collaborative recruitment and enrollment process to assure that each child is enrolled in the program most appropriate to his or her needs and to maximize the use of federal, state, and local funds.

(b) An age-appropriate educational curriculum that is in compliance with the early childhood standards of quality for prekindergarten children adopted by the state board.

(c) Nutritional services for all program participants supported by federal, state, and local resources as applicable.

(d) Physical and dental health and developmental screening services for all program participants.

(e) Referral services for families of program participants to community social service agencies, including mental health services, as appropriate.

(f) Active and continuous involvement of the parents or guardians of the program participants.

(g) A plan to conduct and report annual great start readiness program evaluations and continuous improvement plans using criteria approved by the department.

(h) Participation in a school readiness advisory committee convened as a workgroup of the great start collaborative that provides for the involvement of classroom teachers, parents or guardians of program participants, and community, volunteer, and social service agencies and organizations, as appropriate. The advisory committee annually shall review and make recommendations regarding the program components listed in this subsection. The advisory committee also shall make recommendations to the great start collaborative regarding other community services designed to improve all children's school readiness.

(i) The ongoing articulation of the kindergarten and first grade programs offered by the program provider.

(j) Participation in this state's great start to quality process with a rating of at least 3 stars.

(5) An application for funding under this section shall provide for the following, in a form and manner determined by the department:

(a) Ensure compliance with all program components described in subsection (4).

(b) Except as otherwise provided in this subdivision, ensure that at least 90% of the children participating in an eligible great start readiness program for whom the intermediate district is receiving funds under this section are children who live with families with a household income that is equal to or less than 250% of the federal poverty level. If the intermediate district determines that all eligible children are being served and that there are no children on the waiting list under section 39(1)(d) who live with families with a household income that is equal to or less than 250% of the federal poverty level, the intermediate district may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT WITHIN THE LOWEST QUINTILE**.

(c) Ensure that the applicant only uses qualified personnel for this program, as follows:

(*i*) Teachers possessing proper training. A lead teacher must have a valid teaching certificate with an early childhood (ZA or ZS) endorsement or a bachelor's **OR HIGHER** degree in child development or early ~~child development~~ **CHILDHOOD EDUCATION** with specialization in preschool teaching. However, if an applicant demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be used if the applicant provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.

(*ii*) Paraprofessionals possessing proper training in early childhood ~~development,~~ **EDUCATION,** including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential. However, if an applicant demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the applicant may use paraprofessionals who have completed at least 1 course that earns college credit in early childhood education or child development if the applicant provides to the department, and the department approves, a plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses or 60 clock hours of training per calendar year.

(d) Include a program budget that contains only those costs that are not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the great start readiness program, and that would not be incurred if the program were not being offered. Eligible costs include transportation costs. The program budget shall indicate the extent to which these funds will supplement other federal, state, local, or private funds. Funds received under this section shall not be used to supplant any federal funds received by the applicant to serve children eligible for a federally funded preschool program that has the capacity to serve those children.

(6) For a grant recipient that enrolls pupils in a school-day program funded under this section, each child enrolled in the school-day program shall be counted as ~~2 children served by the program~~ **DESCRIBED IN SECTION 39** for purposes of determining the ~~number of children to be served and for determining the~~ amount of the grant award. ~~A grant award shall not be increased solely on the basis of providing a school-day program.~~

(7) For a grant recipient that enrolls pupils in a GSRP/head start blended program, the grant recipient shall ensure that all head start and GSRP policies and regulations are applied to the blended slots, with adherence to the highest standard from either program, to the extent allowable under federal law.

(8) An intermediate district or consortium of intermediate districts receiving a grant under this section shall designate an early childhood coordinator, and may provide services directly or may contract with 1 or more districts or public or private for-profit or nonprofit providers that meet all requirements of ~~subsection (4).~~**SUBSECTIONS (4) AND (5).**

~~(9) Funds received under this section may be retained for administrative services as follows:~~

~~(a) For the portion of the total grant amount for which services are provided directly by an intermediate district or consortium of intermediate districts, the intermediate district or consortium of intermediate districts may retain an amount equal to not more than 7% of that portion of the grant amount.~~

~~(b) For the portion of the total grant amount for which services are contracted, the intermediate district or consortium of intermediate districts receiving the grant may retain an amount equal to not more than 4% of that portion of the grant amount and the subrecipients engaged by the intermediate district to provide program services may retain for administrative services an amount equal to not more than 4% of that portion of the grant amount.~~

**(9) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS MAY RETAIN FOR ADMINISTRATIVE SERVICES PROVIDED BY THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS AN AMOUNT NOT TO EXCEED 4% OF THE GRANT AMOUNT. EXPENSES INCURRED BY SUBRECIPIENTS ENGAGED BY THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS FOR DIRECTLY RUNNING PORTIONS OF THE PROGRAM SHALL BE CONSIDERED PROGRAM COSTS OR A CONTRACTED PROGRAM FEE FOR SERVICE.**

(10) An intermediate district or consortium of intermediate districts may expend not more than 2% of the total grant amount for outreach, recruiting, and public awareness of the program.

(11) Each grant recipient shall enroll children identified under subsection (5)(b) according to how far the child's household income is below 250% of the federal poverty level by ranking each applicant child's household income from lowest to highest and dividing the applicant children into quintiles based on how far the child's household income is below 250% of the federal poverty level, and then enrolling children in the quintile with the lowest household income before enrolling children in the quintile with the next lowest household income until slots are completely filled. If the grant recipient determines that all eligible children are being served and that there are no children on the waiting list under section 39(1)(d) who live with families with a household income that is equal to or less than 250% of the federal poverty level, the grant recipient may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT WITHIN THE LOWEST QUINTILE**.

(12) An intermediate district or consortium of intermediate districts receiving a grant under this section shall allow parents of eligible children who are residents of the intermediate district or within the consortium to choose a program operated by or contracted with another intermediate district or consortium of intermediate districts and shall ~~pay to the educating intermediate district or consortium the per-child amount attributable to each child enrolled pursuant to this sentence, as determined under section 39.~~**ENTER INTO A WRITTEN AGREEMENT REGARDING PAYMENT, IN A MANNER PRESCRIBED THE DEPARTMENT.**

(13) An intermediate district or consortium of intermediate districts receiving a grant under this section shall conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers that meet all requirements of subsection (4) for at least 30% of its total slot allocation. **FOR THE PURPOSES OF THIS 30% ALLOCATION, AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS MAY COUNT CHILDREN SERVED BY A HEAD START GRANTEE OR DELEGATE IN A BLENDED HEAD START AND GREAT START READINESS SCHOOL-DAY PROGRAM. CHILDREN SERVED IN A PROGRAM FUNDED ONLY THROUGH HEAD START SHALL NOT BE COUNTED TOWARD THIS 30% ALLOCATION.** The intermediate district or consortium shall report to the department, in a manner prescribed by the department, a detailed list of community-based providers by provider type, including private for-profit, private nonprofit, community college or university, head start grantee or delegate, and district or intermediate district, and the number and proportion of its total slot allocation allocated to each provider as subrecipient. If the intermediate district or consortium is not able to contract for at least 30% of its total slot allocation, the grant recipient shall notify the department and, if the department verifies that the intermediate district or consortium attempted to contract for at least 30% of its total slot allocation and was not able to do so, then the intermediate district or consortium may retain and use all of its allocated slots as provided under this section. To be able to use this exemption, the intermediate district or consortium shall demonstrate to the department that the intermediate district or consortium increased the percentage of its total slot allocation for which it contracts with a community-based provider and the intermediate district or consortium shall submit evidence satisfactory to the department, and the department must be able to

verify this evidence, demonstrating that the intermediate district or consortium took measures to contract for at least 30% of its total slot allocation as required under this subsection, including, but not limited to, at least all of the following measures:

(a) The intermediate district or consortium notified each **NONPARTICIPATING** licensed child care center located in the service area of the intermediate district or consortium ~~at least twice~~ regarding the center's eligibility to participate**, IN A MANNER PRESCRIBED BY THE DEPARTMENT**. ~~One of these notifications may be made electronically, but at least 1 of these notifications shall be made via hard copy through the United States mail. At least 1 of these notifications shall be made within 7 days after the intermediate district or consortium receives notice from the department of its slot allocations.~~

(b) The intermediate district or consortium provided to each **NONPARTICIPATING** licensed child care center located in the service area of the intermediate district or consortium information regarding great start readiness program requirements and a description of the application and selection process for community-based providers.

(c) The intermediate district or consortium provided to the public and to participating families a list of community-based great start readiness program subrecipients with a great start to quality rating of at least 3 stars.

(14) If an intermediate district or consortium of intermediate districts receiving a grant under this section fails to submit satisfactory evidence to demonstrate its effort to contract for at least 30% of its total slot allocation, as required under subsection (1), the department shall reduce the slots allocated to the intermediate district or consortium by a percentage equal to the difference between the percentage of an intermediate district's or consortium's total slot allocation awarded to community-based providers and 30% of its total slot allocation.

(15) In order to assist intermediate districts and consortia in complying with the requirement to contract with community-based providers for at least 30% of their total slot allocation, the department shall do all of the following:

(a) Ensure that a great start resource center or the department provides each intermediate district or consortium receiving a grant under this section with the contact information for each licensed child care center located in the service area of the intermediate district or consortium by March 1 of each year.

(b) Provide, or ensure that an organization with which the department contracts provides, a community-based provider with a validated great start to quality rating within 90 days of the provider's having submitted a request and self-assessment.

(c) Ensure that all intermediate district, district, community college or university, head start grantee or delegate, private for-profit, and private nonprofit providers are subject to a single great start to quality rating system. The rating system shall ensure that regulators process all prospective providers at the same pace on a first-come, first-served basis and shall not allow 1 type of provider to receive a great start to quality rating ahead of any other type of provider.

(d) Not later than ~~November~~ **DECEMBER** 1 of each year, compile the results of the information reported by each intermediate district or consortium under subsection (10) and report to the legislature a list by intermediate district or consortium with the number and percentage of each intermediate district's or consortium's total slot allocation allocated to community-based providers by provider type, including private for-profit, private nonprofit, community college or university, head start grantee or delegate, and district or intermediate district.

(16) A recipient of funds under this section shall report to the department in a form and manner prescribed by the department the number of children participating in the program who meet the income eligibility criteria under subsection (5)(b) and the total number of children participating in the program. For children participating in the program who meet the income eligibility criteria specified under subsection (5)(b), a recipient shall also report whether or not a parent is available to provide care based on employment status. For the purposes of this subsection, "employment status" shall be defined by the department of health and human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

(17) As used in this section:

(a) "GSRP/head start blended program" means a part-day program funded under this section and a head start program, which are combined for a school-day program.

(b) "Part-day program" means a program that operates at least 4 days per week, 30 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer hours of teacher-child contact time per day than a school-day program.

(c) "School-day program" means a program that operates for at least the same length of day as a district's first grade program for a minimum of 4 days per week, 30 weeks per year. A classroom that offers a school-day program must enroll all children for the school day to be considered a school-day program.

(18) An intermediate district or consortium of intermediate districts receiving funds under this section shall establish a sliding scale of tuition rates based upon household income for children participating in an eligible great start readiness program who live with families with a household income that is more than 250% of the federal poverty level to be used by all of its providers, as approved by the department. A grant recipient shall charge tuition according to that sliding scale of tuition rates on a uniform basis for any child who does not meet the income eligibility requirements under this section.

(19) From the amount appropriated in subsection (1), there is allocated an amount not to exceed $10,000,000.00 for reimbursement of transportation costs for children attending great start readiness programs funded under this section. To receive reimbursement under this subsection, not later than November 1, ~~2015,~~ **2016,** a program funded under this section that provides transportation shall submit to the intermediate district that is the fiscal agent for the program a projected transportation budget. The amount of the reimbursement for transportation under this subsection shall be no more than the projected transportation budget or $150.00 multiplied by the number of slots funded for the program under this section. If the amount allocated under

this subsection is insufficient to fully reimburse the transportation costs for all programs that provide transportation and submit the required information, the reimbursement shall be prorated in an equal amount per slot funded. Payments shall be made to the intermediate district that is the fiscal agent for each program, and the intermediate district shall then reimburse the program provider for transportation costs as prescribed under this subsection.

Sec. 32p. (1) From the school aid fund appropriation in section 11, there is allocated an amount not to exceed $13,400,000.00 to intermediate districts for ~~2015-2016~~ **2016-2017** for the purpose of providing early childhood funding to intermediate school districts to support the activities under subsection (2) and subsection (4), and to provide early childhood programs for children from birth through age 8. The funding provided to each intermediate district under this section shall be determined by the distribution formula established by the department's office of great start to provide equitable funding statewide. In order to receive funding under this section, each intermediate district shall provide an application to the office of great start not later than September 15 of the immediately preceding fiscal year indicating the activities planned to be provided.

(2) Each intermediate district or consortium of intermediate districts that receives funding under this section shall convene a local great start collaborative and a parent coalition. The goal of each great start collaborative and parent coalition shall be to ensure the coordination and expansion of local early childhood infrastructure and programs that allow every child in the community to achieve the following outcomes:

(a) Children born healthy.

(b) Children healthy, thriving, and developmentally on track from birth to third grade.

(c) Children developmentally ready to succeed in school at the time of school entry.

(d) Children prepared to succeed in fourth grade and beyond by reading proficiently by the end of third grade.

(3) Each local great start collaborative and parent coalition shall convene workgroups to make recommendations about community services designed to achieve the outcomes described in subsection (2) and to ensure that its local great start system includes the following supports for children from birth through age 8:

(a) Physical health.

(b) Social-emotional health.

(c) Family supports and basic needs.

(d) Parent education.

(e) Early education**, INCLUDING THE CHILD'S VOCABULARY DEVELOPMENT,** and care.

(4) From the funds allocated in subsection (1), at least $2,500,000.00 shall be used for the purpose of providing home visits to at-risk children and their families. The home visits shall be conducted as part of a locally coordinated, family-centered, evidence-based, data-driven home visit strategic plan that is approved by the department. The goals of the home visits funded under this subsection shall be to improve school readiness ~~,~~ **USING EVIDENCE-BASED METHODS, INCLUDING VOCABULARY DEVELOPMENT, TO** reduce the number of pupils retained in grade level, and **TO** reduce the number of pupils requiring special education services. The department shall coordinate the goals of the home visit strategic plans approved under this subsection with other state agency home visit programs in a way that strengthens Michigan's home visiting infrastructure and maximizes federal funds available for the purposes of at-risk family home visits. **THE COORDINATION AMONG DEPARTMENTS AND AGENCIES IS INTENDED TO AVOID DUPLICATION OF STATE SERVICES AND SPENDING, AND SHOULD EMPHASIZE EFFICIENT SERVICE DELIVERY OF HOME VISITING PROGRAMS.**

(5) Not later than December 1 of each year, each intermediate district shall provide a report to the department detailing the activities actually provided during the immediately preceding school year and the families and children actually served. At a minimum, the report shall include an evaluation of the services provided with additional funding under subsection (4) for home visits, using the goals identified in subsection (4) as the basis for the evaluation, including the degree to which school readiness was improved, any change in the number of pupils retained at grade level, and any change in the number of pupils receiving special education services. The department shall compile and summarize these reports and submit its summary to the house and senate appropriations subcommittees on school aid and to the house and senate fiscal agencies not later than February 15 of each year.

(6) An intermediate district or consortium of intermediate districts that receives funding under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds through June 30 of the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

**SEC. 32Q. FROM THE STATE SCHOOL AID FUND ALLOCATION UNDER SECTION 11, THERE IS ALLOCATED TO AN ELIGIBLE INTERMEDIATE DISTRICT AN AMOUNT EQUAL TO $175,000.00 IN 2016-2017 FOR THE PURPOSE OF THIS SECTION. AN INTERMEDIATE DISTRICT RECEIVING A GRANT UNDER THIS SECTION SHALL PARTNER WITH AN EARLY CHILDHOOD COLLABORATIVE TO CONDUCT A PILOT PROGRAM AS PROVIDED UNDER THIS SECTION. IT IS THE INTENT OF THE LEGISLATURE THAT THIS IS THE FIRST OF 3 YEARS OF FUNDING, AND THAT FUNDING SHALL CONTINUE IN 2017-2018 AND 2018-2019. FUNDING ALLOCATED TO AN INTERMEDIATE DISTRICT SHALL BE USED IN PARTNERSHIP WITH A COLLABORATIVE TO CONDUCT A PILOT PROGRAM TO EVALUATE THE RELATIVE IMPACT ON**

**VULNERABLE CHILDREN OF 1 VERSUS 2 YEARS OF PRESCHOOL EDUCATION. ALL OF THE FOLLOWING APPLY TO THE PILOT PROGRAM FUNDED UNDER THIS SECTION:**

**(A) AN ELIGIBLE INTERMEDIATE DISTRICT IS AN INTERMEDIATE DISTRICT THAT IS LOCATED IN A COUNTY WITH A POPULATION AS OF THE MOST RECENT FEDERAL DECENNIAL CENSUS THAT WAS GREATER THAN 500,000 BUT FEWER THAN 800,000 AND THAT HAS AN EARLY LEARNING COLLABORATIVE LOCATED WITHIN ITS BOUNDARIES.**

**(B) THE FUNDS SHALL BE USED FOR RESEARCH, FAMILY COACHING SUPPORT, ADMINISTRATION, INFORMATION SYSTEMS, AND EVALUATION.**

**(C) IN ORDER TO BE ELIGIBLE TO RECEIVE THE ALLOCATED FUNDS, THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE INTERMEDIATE DISTRICT, SHALL PROVIDE THE FUNDING FOR ALL ELIGIBLE CHILDREN INCLUDED IN THE PILOT PROGRAM.**

**(D) THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE INTERMEDIATE DISTRICT, SHALL DEVELOP A 3-YEAR PILOT PROGRAM UNDER THE SUPERVISION OF THE OFFICE OF GREAT START IN THE DEPARTMENT.**

**(E) FOR A CHILD TO BE ELIGIBLE FOR PARTICIPATION IN THE PILOT PROGRAM UNDER THIS SECTION, THE CHILD SHALL BE 3 YEARS OF AGE AS OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.**

**(F) A CHILD PARTICIPATING IN THE PILOT PROGRAM SHALL MEET THE PARTICIPANT ELIGIBILITY AND PRIORITIZATION GUIDELINES AS DEFINED BY THE DEPARTMENT.**

**(G) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL DISTRIBUTE FUNDS UNDER THIS SECTION NOT LATER THAN NOVEMBER 15 OF THE FISCAL YEAR.**

**(H) THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE INTERMEDIATE DISTRICT, SHALL PROVIDE ANNUAL PROGRESS EVALUATIONS TO THE OFFICE OF GREAT START.**

**(I) BY DECEMBER 1, 2019, THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE INTERMEDIATE DISTRICT, SHALL PROVIDE A PILOT PROGRAM REPORT AND EVALUATION TO THE OFFICE OF GREAT START. THE OFFICE OF GREAT START SHALL REVIEW THE PILOT PROGRAM REPORT AND EVALUATION AND, BY FEBRUARY 15, 2020, PROVIDE A REPORT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID AND TO THE SENATE AND HOUSE FISCAL AGENCIES OF ITS EVALUATION OF THE PILOT PROGRAM.**

Sec. 35. (1) The funds allocated under section 35a shall be used for programs to ensure children are reading at grade level by the end of grade 3. The superintendent shall designate staff or contracted employees funded under section 35a as critical shortage. Programs funded under section 35a are intended to ensure that this state will be in the top 10 most improved states in grade 4 reading proficiency by the 2019 National Assessment of Educational Progress (NAEP) and will be in the top 10 states overall in grade 4 reading proficiency by 2025.

(2) From the general fund appropriation in section 11, there is allocated to the department an amount not to exceed $1,000,000.00 for ~~2015-2016~~ **2016-2017** for implementation costs associated with programs funded under section 35a.

~~(3) From the amount allocated under subsection (2), there is allocated an amount not to exceed $100,000.00 for the purpose of performing an evaluation of the pilot programs under section 35a(2) in a manner approved by the department. The evaluation report shall include at least all of the following:~~

~~(a) A description of the components of the pilot programs that were effective in helping parents prepare their children for success in school.~~

~~(b) A description of any barriers that parents and their children encountered that prevented them from participating in the pilot programs.~~

~~(c) An assessment of whether these pilot programs should be expanded to other locations in the state.~~

Sec. 35a. (1) From the appropriations in section 11, there is allocated for 2015-2016 for the purposes of this section an amount not to exceed ~~$23,900,000.00~~ **$19,000,000.00** from the state school aid fund appropriation and an amount not to exceed $1,500,000.00 from the general fund appropriation. **FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED FOR 2016-2017 FOR THE PURPOSES OF THIS SECTION AN AMOUNT NOT TO EXCEED $22,900,000.00 FROM THE STATE SCHOOL AID FUND AND AN AMOUNT NOT TO EXCEED $1,000,000.00 FROM THE GENERAL FUND.**

~~(2) From the allocations under subsection (1), there is allocated an amount not to exceed $1,000,000.00 for 2015-2016 for the purpose of conducting parent education pilot programs for parents of children less than 4 years of age so that children are developmentally ready to succeed in school at the time of school entry. All of the following apply to programs funded under this subsection:~~

~~(a) The department shall develop a competitive application process and method of grant distribution consistent with the provisions of this subsection. The amount of a grant award to a pilot program shall be an amount equal to the number of children residing in the district or consortium of districts operating the program who are younger than 4 years of age as of the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147,~~

~~multiplied by $120.00 per child or $130,000.00, whichever is less. The department shall ensure that grants are awarded in each prosperity region or subregion.~~

~~(b) An application for a competitive grant under this subsection shall be submitted by an intermediate district on behalf of a district or consortium of districts within the intermediate district. The application shall be submitted in a form and manner approved by the department and shall contain at least the following components:~~

~~(*i*) A description of the program design including the names of the district or consortium of districts that will operate the program, the physical location of the program, and the anticipated number of families that will be served.~~

~~(*ii*) An assurance that the program will be supervised by a teacher who has a valid teaching certificate with an early childhood (ZA or ZS) endorsement, a valid teaching certificate in career education with both a KH and VH endorsement, a bachelor's degree in child development or early child development, or a bachelor's degree related to adult learning.~~

~~(*iii*) An estimate of the number of families residing in the district or consortium of districts that will operate the pilot program that have at least 1 child less than 4 years of age as of the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147.~~

~~(*iv*) A description of the public awareness and outreach efforts that will be made.~~

~~(*v*) An assurance that the intermediate district and the district or consortium of districts operating the program will provide information in a form and manner as approved by the department to allow for an evaluation of the pilot projects.~~

~~(*vi*) A description of the sliding fee scale that will be established for tuition, with fees reduced or waived for those unable to pay.~~

~~(*vii*) A budget for the program. A program may use not more than 5% of a grant to administer the program.~~

~~(c) To be eligible for a grant under this subsection, a program shall provide at least 2 hours per week throughout the school year for parents and their eligible children to participate in parent education programs and meet at least the following minimum requirements:~~

~~(*i*) Require that parents be physically present in classes with their children or be in concurrent classes.~~

~~(*ii*) Use research-based information to educate parents about the physical, cognitive, social, and emotional development of children.~~

~~(*iii*) Provide structured learning activities requiring interaction between children and their parents.~~

~~(*iv*) Provide structured learning activities for children that promote positive interaction with their peers.~~

~~(d) For a child to be eligible to participate in a program under this subsection, the child shall be less than 4 years of age as of the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147.~~

**(2)** ~~(3)~~ From the allocations under subsection (1), there is allocated an amount not to exceed $950,000.00 **EACH FISCAL YEAR** for 2015-2016 **AND FOR 2016-2017** for professional development purposes under this subsection. ~~This~~ **THE 2016-2017** allocation represents the ~~first~~ **SECOND** of 2 years of funding for the purposes of this subsection. All of the following apply to funding under this subsection:

(a) The department shall award grants to districts to support professional development for educators in a department-approved research-based training program related to current state literacy standards for pupils in grades K to 3. The professional development shall also include training in the use of screening and diagnostic tools, progress monitoring, and intervention methods used to address barriers to learning and delays in learning that are diagnosed through the use of these tools. The department shall determine the amount of the grant awards.

(b) In addition to other methods of professional development delivery, the department shall collaborate with the Michigan Virtual University to provide this training online to all educators of pupils in grades K to 3.

(c) The funds allocated under this subsection **FOR 2015-2016** are a work project appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-2017. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2017.

**(D) THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2016-2017 ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2016-2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING DESCRIBED IN THIS SUBSECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2018.**

**(3)** ~~(4)~~ From the allocations under subsection (1), there is allocated an amount not to exceed $1,450,000.00 **EACH FISCAL YEAR** for 2015-2016 **AND FOR 2016-2017** for grants under this subsection. ~~This~~ **THE 2016-2017** allocation represents the ~~first~~ **SECOND** of 2 years of funding. All of the following apply to grants under this subsection:

(a) The department shall award grants to districts to administer department-approved screening and diagnostic tools to monitor the development of early literacy and early reading skills of pupils in grades K to 3 and to support research-based professional development for educators in administering screening and diagnostic tools and in data interpretation of the results obtained through the use of those tools for the purpose of implementing a multi-tiered system of support to improve reading proficiency among pupils in grades K to 3. The department shall award grants to eligible districts in an amount determined by the department.

**(B) A DEPARTMENT-APPROVED SCREENING AND DIAGNOSTIC TOOL ADMINISTERED BY A DISTRICT USING FUNDING UNDER THIS SECTION MUST INCLUDE ALL OF THE FOLLOWING COMPONENTS: PHONEMIC AWARENESS, PHONICS, FLUENCY, AND COMPREHENSION. FURTHER, ALL OF THE FOLLOWING SUB-SKILLS MUST BE ASSESSED WITHIN EACH OF THESE COMPONENTS:**

**(*i*) PHONEMIC AWARENESS - SEGMENTATION, BLENDING, AND SOUND MANIPULATION (DELETION AND SUBSTITUTION).**

**(*ii*) PHONICS - DECODING (READING) AND ENCODING (SPELLING).**

**(*iii*) FLUENCY - READING RATE, ACCURACY, AND EXPRESSION.**

**(*iv*) COMPREHENSION - MAKING MEANING OF TEXT.**

**(C)** ~~(b)~~ In addition to other methods of professional development delivery, the department shall collaborate with the Michigan Virtual University to provide this training online to all educators of pupils in grades K to 3.

**(D)** ~~(c)~~ The funds allocated under this subsection **FOR 2015-2016** are a work project appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-2017. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2017.

**(E) THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2016-2017 ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2016-2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING DESCRIBED IN THIS SUBSECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2018.**

**(4)** ~~(5)~~ From the allocations under subsection (1), there is allocated an amount not to exceed $3,000,000.00 **EACH FISCAL YEAR FOR 2015-2016 AND FOR 2016-2017** for the purpose of providing early literacy coaches at intermediate districts to assist teachers in developing and implementing instructional strategies for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3. All of the following apply to funding under this subsection:

(a) The department shall develop an application process consistent with the provisions of this subsection. An application shall provide assurances that literacy coaches funded under this subsection are knowledgeable about at least the following:

(*i*) Current state literacy standards for pupils in grades K to 3.

(*ii*) Implementing an instructional delivery model based on frequent use of formative, screening, and diagnostic tools, known as a multi-tiered system of support, to determine individual progress for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3.

(*iii*) The use of data from diagnostic tools to determine the necessary additional supports and interventions needed by individual pupils in grades K to 3 in order to be reading at grade level.

(b) From the allocation under this subsection, the department shall award grants to intermediate districts for the support of early literacy coaches. An intermediate district must provide matching funds for at least 50% of the cost of the literacy coach. The department shall provide this funding in the following manner:

(*i*) Each intermediate district shall be awarded grant funding to support the cost of 1 early literacy coach in an equal amount per early literacy coach, not to exceed $37,500.00.

(*ii*) After distribution of the grant funding under subparagraph (*i*), the department shall distribute the remainder of grant funding for additional early literacy coaches in an amount not to exceed $37,500.00 per early literacy coach. The number of funded early literacy coaches for each intermediate district shall be based on the percentage of the total statewide number of pupils in grades K to 3 who meet the income eligibility standards for the federal free and reduced-price lunch programs who are enrolled in districts in the intermediate district. For each additional early literacy coach funded under this subparagraph, the department shall not make an award to an intermediate district under this subparagraph in an amount that is less than the amount necessary to pay 1/2 of the total cost of that additional early literacy coach.

(c) The funds allocated under this subsection **FOR 2015-2016** are a work project appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-2017. The purpose of the work project is to continue to provide early literacy coaches as described in this subsection. The estimated completion date of the work project is September 30, 2017.

**(D) THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2016-2017 ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2016-2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING DESCRIBED IN THIS SUBSECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2018.**

**(5)** ~~(6)~~ From the allocations under subsection (1), there is allocated an amount not to exceed ~~$17,500,000.00~~ **$13,600,000.00** for 2015-2016 **AND AN AMOUNT NOT TO EXCEED $17,500,000.00 FOR 2016-2017** to districts that provide additional instructional time to those pupils in grades K to 3 who have been identified by using department-approved screening and diagnostic tools as needing additional supports and interventions in order to be reading at grade level by the end of grade 3. Additional instructional time may be provided before, during, and after regular school hours or as part of a year-round balanced school calendar. All of the following apply to funding under this subsection:

(a) In order to be eligible to receive funding, a district shall demonstrate to the satisfaction of the department that the district has done all of the following:

(*i*) Implemented a multi-tiered system of support instructional delivery model that is an evidence-based model that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in

varying intensities based on pupil needs. The multi-tiered system of supports must provide at least all of the following essential elements:

(A) Implements effective instruction for all learners.

(B) Intervenes early.

(C) Provides a multi-tiered model of instruction and intervention that provides the following: a core curriculum and classroom interventions available to all pupils that meet the needs of most pupils; targeted group interventions; and intense individual interventions.

(D) Monitors pupil progress to inform instruction.

(E) Uses data to make instructional decisions.

(F) Uses assessments including universal screening, diagnostics, and progress monitoring.

(G) Engages families and the community.

(H) Implements evidence-based, scientifically validated, instruction and intervention.

(I) Implements instruction and intervention practices with fidelity.

(J) Uses a collaborative problem-solving model.

(*ii*) Used department-approved research-based diagnostic tools to identify individual pupils in need of additional instructional time.

(*iii*) Used a reading instruction method that focuses on the 5 fundamental building blocks of reading: phonics, phonemic awareness, fluency, vocabulary, and comprehension and content knowledge.

(*iv*) Provided teachers of pupils in grades K to 3 with research-based professional development in diagnostic data interpretation.

(b) Funding allocated under this subsection shall be distributed to eligible districts by multiplying the number of full-time-equivalent pupils in grade 1 in the district by $165.00.

(c) If the funds allocated under this subsection are insufficient to fully fund the payments under this subsection, payments under this subsection shall be prorated on an equal per-pupil basis based on grade 1 pupils.

**(6)** ~~(7)~~ From the general fund money allocated in subsection (1), the department shall allocate the amount of $1,000,000.00 **EACH FISCAL YEAR** for 2015-2016 **AND FOR 2016-2017** to the Michigan Education Corps. All of the following apply to funding under this subsection:

(a) By August 1 ~~, 2016,~~ **OF THE APPLICABLE FISCAL YEAR,** the Michigan Education Corps shall provide a report concerning its use of the funding to the senate and house appropriations subcommittees on state school aid, the senate and house fiscal agencies, and the senate and house caucus policy offices on outcomes and performance measures of the Michigan Education Corps, including, but not limited to, the degree to which the Michigan Education Corps's replication of the Michigan Reading Corps program is demonstrating sufficient efficacy and impact. The report must include data pertaining to at least all of the following:

(*i*) The current impact of the Michigan Reading Corps on this state in terms of numbers of children and programs receiving support. This portion of the report shall specify the number of children tutored, including dosage and completion, and the demographics of those children.

(*ii*) Whether the assessments and interventions are implemented with fidelity. This portion of the report shall include details on the total number of assessments and interventions completed and the range, median, mean, and standard deviation for all assessments.

(*iii*) Whether the literacy improvement of children participating in the Michigan Reading Corps is consistent with expectations. This portion of the report shall detail at least all of the following:

(A) Growth rate by grade level, in comparison to targeted growth rate.

(B) Average linear growth rates.

(C) Exit rates.

(D) Percentage of children who exit who also meet or exceed spring benchmarks.

(*iv*) The impact of the Michigan Reading Corps on organizations and stakeholders, including, but not limited to, school administrators, internal coaches, and AmeriCorps members.

(b) If the department determines that the Michigan Education Corps has misused the funds allocated under this subsection, the Michigan Education Corps shall reimburse this state for the amount of state funding misused.

**(7)** ~~(8)~~ From the general fund money allocated under subsection (1), there is allocated to the department an amount not to exceed $500,000.00 for 2015-2016 for the adoption of a certification test to ensure that all newly certificated elementary teachers have the skills to deliver evidence-based literacy instruction.

Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an application, in a form and manner prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The application shall include a comprehensive needs assessment using aggregated data from the applicant's entire service area and a community collaboration plan that is endorsed by the local great start collaborative and is part of the community's great start strategic plan that includes, but is not limited to, great start readiness program and head start providers, and shall identify all of the following:

(a) The estimated total number of children in the community who meet the criteria of section 32d and how that calculation was made.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served by other early childhood development programs operating in the community, and how that calculation was made.

(c) The number of ~~children the applicant will be able to serve~~ **SLOTS THE APPLICANT WILL BE ABLE TO FILL WITH CHILDREN** who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

(d) The estimated number of **SLOTS THAT WILL REMAIN UNFILLED AND** children who meet the criteria of section 32d who will remain unserved after the applicant and community early childhood programs have met their funded enrollments. The applicant shall maintain a waiting list of identified unserved eligible children who would be served when openings are available.

(2) After notification of funding allocations, an applicant receiving funds under section 32d shall also submit an implementation plan for approval, in a form and manner prescribed by the department, by a date specified by the department, that details how the applicant complies with the program components established by the department pursuant to section 32d.

(3) The number of prekindergarten children construed to be in need of special readiness assistance under section 32d shall be calculated for each applicant in the following manner: 1/2 of the percentage of the applicant's pupils in grades 1 to 5 in all districts served by the applicant who are eligible for free lunch, as determined using the district's pupil membership count as of the pupil membership count day in the school year prior to the fiscal year for which the calculation is made, under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, shall be multiplied by the average kindergarten enrollment of the districts served by the applicant on the pupil membership count day of the 2 immediately preceding fiscal years. **EACH CHILD CONSTRUED TO BE IN NEED CONSTITUTES 1 SLOT.**

(4) The initial allocation for each fiscal year to each eligible applicant under section 32d shall be determined by multiplying the number of ~~children~~ **SLOTS** determined by the formula under subsection (3) or the number of ~~children~~ **SLOTS** the applicant indicates it will be able to ~~serve~~ **FILL** under subsection (1)(c), whichever is less, by $3,625.00 and shall be distributed among applicants in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of ~~children~~ **SLOTS** an applicant indicates it will be able to ~~serve~~ **FILL** under subsection (1)(c) includes children able to be served in a school-day program, then the number ~~able to be served in~~ **OF SLOTS FOR** a school-day program shall be doubled for the purposes of making this calculation**.** ~~of the lesser of the number of children determined by the formula under subsection (3) and the number of children the applicant indicates it will be able to serve under subsection (1)(c) and determining the amount of the initial allocation to the applicant under section 32d.~~ A district may contract with a head start agency to serve children enrolled in head start with a school-day program by blending head start funds with a part-day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.

(5) If funds allocated for eligible applicants under section 32d remain after the initial allocation under subsection (4), the allocation under this subsection shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). The allocation shall be determined by multiplying the number of ~~children~~ **SLOTS** in each district within the applicant's service area ~~served~~ **FILLED** in the immediately preceding fiscal year or the number of ~~children~~ **SLOTS** the applicant indicates it will be able to ~~serve~~ **FILL** under subsection (1)(c), whichever is less, minus the number of ~~children~~ **SLOTS** for which the applicant received funding in subsection (4) by $3,625.00.

(6) If funds allocated for eligible applicants under section 32d remain after the allocations under subsections (4) and (5), remaining funds shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of ~~children~~ **SLOTS** the applicant indicates it will be able to ~~serve~~ **FILL** under subsection (1)(c) exceeds the number of ~~children~~ **SLOTS** for which funds have been received under subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of ~~children~~ **SLOTS** the applicant indicates it will be able to ~~serve~~ **FILL** under subsection (1)(c) less the number of ~~children~~ **SLOTS** for which funds have been received under subsections (4) and (5) by $3,625.00 until the funds allocated for eligible applicants in section 32d are distributed.

~~(7) An applicant that offers supplementary child care funded by funds other than those received under section 32d and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under section 32d over other eligible applicants. As used in this subsection, "full-day program" means a program that provides supplementary child care that totals at least 10 hours of programming per day.~~

**(7)** ~~(8)~~ If, taking into account the total amount to be allocated to the applicant as calculated under this section, an applicant determines that it is able to include additional eligible children in the great start readiness program without additional funds under section 32d, the applicant may include additional eligible children but shall not receive additional funding under section 32d for those children.

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~$779,076,400.00~~ **$821,939,900.00** for the federal programs under the no child left behind act of 2001, Public Law 107-110**, OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95**. These funds are allocated as follows:

(a) An amount estimated at ~~$5,000,000.00~~ **$2,000,000.00** to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, funded from DED-OESE, drug-free schools and communities funds.

(b) An amount estimated at $111,111,900.00 for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(c) An amount estimated at $12,200,000.00 for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(d) An amount estimated at ~~$10,286,500.00~~ **$250,000.00** for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(e) An amount estimated at $3,000,000.00 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(f) An amount estimated at $565,000,000.00 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(g) An amount estimated at $8,878,000.00 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(h) An amount estimated at $39,000,000.00 for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds.

(i) An amount estimated at $24,600,000.00 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

**(J) AN AMOUNT ESTIMATED AT $55,900,000.00 TO IMPROVE THE ACADEMIC ACHIEVEMENT OF STUDENTS, FUNDED FROM DED-OESE, TITLE IV, STUDENT SUPPORT AND ACADEMIC ENRICHMENT GRANTS.**

(2) From the federal funds appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at $30,800,000.00 for the following programs that are funded by federal grants:

(a) An amount estimated at $200,000.00 for acquired immunodeficiency syndrome education grants, funded from HHS – Centers for Disease Control and Prevention, AIDS funding.

(b) An amount estimated at $2,600,000.00 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at $4,000,000.00 to provide mental health, substance abuse, or violence prevention services to students, funded from HHS-SAMHSA.

(d) An amount estimated at $24,000,000.00 for providing career and technical education services to pupils, funded from DED-OVAE, basic grants to states.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(4) For the purposes of applying for federal grants appropriated under this article, the department shall allow an intermediate district to submit a consortium application on behalf of 2 or more districts with the agreement of those districts as appropriate according to federal rules and guidelines.

**(5) FOR THE PURPOSES OF FUNDING FEDERAL TITLE I GRANTS UNDER THIS ARTICLE, IN ADDITION TO ANY OTHER FEDERAL GRANTS FOR WHICH A STRICT DISCIPLINE ACADEMY IS ELIGIBLE, THE DEPARTMENT SHALL ALLOCATE TO STRICT DISCIPLINE ACADEMIES OUT OF TITLE I, PART A FUNDS EQUAL TO WHAT A STRICT DISCIPLINE ACADEMY WOULD HAVE RECEIVED IF INCLUDED AND CALCULATED UNDER TITLE I, PART D, OR WHAT IT WOULD RECEIVE UNDER THE FORMULA ALLOCATION UNDER TITLE I, PART A, WHICHEVER IS GREATER.**

**(6)** ~~(5)~~ As used in this section:

(a) "DED" means the United States Department of Education.

(b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

(c) "DED-OVAE" means the DED Office of Vocational and Adult Education.

(d) "HHS" means the United States Department of Health and Human Services.

(e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental Health Services Administration.

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed $1,200,000.00 for ~~2015-2016~~ **2016-2017** to applicant districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a per-pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.

Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~$901,946,100.00~~ **$945,246,100.00** for ~~2014-2015~~ **2015-2016** and an amount not to exceed ~~$918,546,100.00 for 2015-2016~~ **$973,046,100.00 FOR 2016-2017** from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities

education act, 20 USC 1411 to 1419, estimated at $370,000,000.00 each fiscal year ~~for 2014-2015 and~~ for 2015-2016 ~~,~~ **AND FOR 2016-2017,** plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals or other entities, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, estimated at ~~$248,100,000.00 for 2014-2015~~ **$263,500,000.00 FOR 2015-2016** and estimated at ~~$251,800,000.00 for 2015-2016,~~ **$271,600,000.00 FOR 2016-2017,** for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (11), times the foundation allowance under section 20 of the pupil's district of residence **PLUS THE AMOUNT OF THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**, not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy, times an amount equal to the amount per membership pupil calculated under section 20(6) or, for a pupil described in this subsection who is counted in membership in the education achievement system, times an amount equal to the amount per membership pupil under section 20(7). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (11), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year**, AND THAT DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**.

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments calculated under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed $1,000,000.00 and there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed ~~$1,300,000.00~~ **$1,100,000.00** to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this article for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed $3,500,000.00 may be allocated by the department each fiscal year for ~~2014-2015~~ **2015-2016** and for ~~2015-2016~~ **2016-2017** to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed $2,200,000.00 each fiscal year ~~for 2014-2015 and~~ for 2015-2016 **AND FOR 2016-2017** to reimburse 100% of the net increase in necessary costs incurred by

a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of sections 51a to 58, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and Medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this article. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for a fiscal year that the amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district or intermediate district whose reimbursement for that fiscal year would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis. Beginning in 2015-2016, the amount of reimbursement under this subdivision for a fiscal year shall not exceed $2,000,000.00 for any district or intermediate district.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education pupil transportation service from a constituent district that was previously purchased from a private entity; if the purchase from the constituent district is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the intermediate district to the constituent does not result in any net change in the revenue the constituent district receives from payments under sections 22b and 51c, then upon application by the intermediate district, the department shall direct the intermediate district to continue to report the cost associated with the specific identified special education pupil transportation service and shall adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(8) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(9) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(10) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(11) From the funds allocated in subsection (1), there is allocated the amount necessary, estimated at ~~$3,400,000.00 for 2014-2015~~ **$3,800,000.00 FOR 2015-2016** and estimated at ~~$3,300,000.00 for 2015-2016,~~ **$3,700,000.00 FOR 2016-2017,** to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district

times **SUM OF** the foundation allowance under section 20 of the pupil's district of residence **PLUS THE AMOUNT OF THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**, not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy, times an amount equal to the amount per membership pupil under section 20(6) or, for a pupil described in this subsection who is counted in membership in the education achievement system, times an amount equal to the amount per membership pupil under section 20(7). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year**, AND THAT DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**. This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Pupils with an emotional impairment counted in membership by an intermediate district and provided educational services by the department of health and human services.

(12) If it is determined that funds allocated under subsection (2) or (11) or under section 51c will not be expended, funds up to the amount necessary and available may be used to supplement the allocations under subsection (2) or (11) or under section 51c in order to fully fund those allocations. After payments under subsections (2) and (11) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payments under section 56.

(13) The allocations under subsections (2), (3), and (11) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

(14) If a public school academy enrolls pursuant to this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has a written agreement with the district or intermediate district in which the pupil resides or the public school academy for the purpose of providing the pupil with a free appropriate public education and the written agreement includes at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

(15) ~~It is the intent of the legislature that, beginning~~ **BEGINNING** in 2016-2017, a district, public school academy, or intermediate district that fails to comply with subsection (14) or with the requirements of federal regulations regarding the treatment of public school academies and public school academy pupils for the purposes of special education, 34 CFR 300.209, forfeits from its total state aid an amount equal to 10% of its total state aid.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated each fiscal year for ~~2014-2015~~ **2015-2016** and for ~~2015-2016~~ **2016-2017** the amount necessary, estimated at ~~$597,300,000.00 for 2014-2015~~ **$624,800,000.00 FOR 2015-2016** and estimated at ~~$610,000,000.00 for 2015-2016,~~ **$644,500,000.00 FOR 2016-2017,** for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for ~~2015-2016,~~ **2016-2017,** all available federal funding, estimated at $71,000,000.00, for special education programs and services that are funded by federal grants. All federal funds allocated under this section shall be distributed in accordance with federal law. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated for ~~2015-2016:~~**2016-2017:**

(a) An amount estimated at $14,000,000.00 for handicapped infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

(b) An amount estimated at $12,000,000.00 for preschool grants (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

(c) An amount estimated at $45,000,000.00 for special education programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.

(3) As used in this section, "DED-OSERS" means the United States Department of Education Office of Special Education and Rehabilitative Services.

Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the district's foundation allowance calculated under section 20 **AND MINUS THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**. For intermediate districts, reimbursement for pupils described in subsection (2) shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year**, AND THAT DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**.

(2) Reimbursement under subsection (1) is for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

(b) Pupils who are residents of institutions operated by the department of health and human services.

(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils enrolled in a department-approved on-grounds educational program longer than 180 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 180 days but not longer than 233 days.

(e) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.

(3) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (2), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(4) The costs of transportation shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than $10,500,000.00 of the allocation for ~~2015-2016~~ **2016-2017** in section 51a(1) shall be allocated under this section.

Sec. 54. Each intermediate district shall receive an amount per-pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than $1,688,000.00 of the allocation for ~~2015-2016~~ **2016-2017** in section 51a(1) shall be allocated under this section.

**SEC. 54B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $1,125,000.00 FOR 2016-2017 TO BEGIN IMPLEMENTATION OF THE RECOMMENDATIONS OF THE SPECIAL EDUCATION REFORM TASK FORCE PUBLISHED IN JANUARY 2016.**

**(2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED $625,000.00 FOR THE PURPOSE OF PILOTING STATEWIDE IMPLEMENTATION OF THE MICHIGAN INTEGRATED BEHAVIOR AND LEARNING SUPPORT INITIATIVE (MIBLSI), A NATIONALLY RECOGNIZED PROGRAM THAT INCLUDES POSITIVE BEHAVIORAL INTERVENTION AND SUPPORTS AND PROVIDES A STATEWIDE STRUCTURE TO SUPPORT LOCAL INITIATIVES FOR AN INTEGRATED BEHAVIOR AND READING PROGRAM. WITH THE ASSISTANCE OF THE INTERMEDIATE DISTRICTS INVOLVED IN MIBLSI, THE DEPARTMENT SHALL IDENTIFY AT LEAST 3 INTERMEDIATE DISTRICTS TO PARTICIPATE IN THE PILOT TO ENSURE THAT MIBLSI CAN BE IMPLEMENTED STATEWIDE WITH FIDELITY AND SUSTAINABILITY. IN ADDITION, THE DEPARTMENT SHALL IDENTIFY AN INTERMEDIATE DISTRICT TO ACT AS A FISCAL AGENT FOR THESE FUNDS.**

**(3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED $500,000.00 FOR THE PURPOSE OF PROVIDING TRAINING TO INTERMEDIATE DISTRICTS AND DISTRICTS RELATED TO THE SAFE IMPLEMENTATION OF EMERGENCY RESTRAINTS AND SECLUSION. THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A TRAINING PROGRAM THAT IS BASED ON THE STATE BOARD'S ADOPTED STANDARDS AND ON ANY OTHER LEGISLATION ENACTED BY THE LEGISLATURE REGARDING THE EMERGENCY USE OF SECLUSION AND RESTRAINT.**

Sec. 55. (1) From the money appropriated in section 11, there is allocated an amount not to exceed $150,000.00 for ~~2015-2016~~ **2016-2017** to Michigan State University, Department of Epidemiology, for a study of the Conductive Learning Center located at Aquinas College. This funding shall be used to develop and implement an evaluation of the effectiveness of conductive education for children with cerebral palsy. The evaluation shall be multidimensional and shall include a control group of children with cerebral palsy not enrolled in conductive education. It should include an assessment of the motor system itself as well as the impact of conductive education on each of the following:

(a) The acquisition of skills permitting complex motor functions.

(b) The performance of tasks essential to daily living.

(c) The attitudes and feelings of both children and parents.

(d) The long-term need for special education for children with cerebral palsy.

(2) ~~It is the intent of the legislature that this~~ **THIS** funding is for the ~~first~~ **SECOND** of 2 years of funding for this purpose.

Sec. 56. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed $37,758,100.00 **EACH FISCAL YEAR** for 2015-2016 **AND FOR 2016-2017** to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in 2014-2015 shall be made in 2015-2016 at an amount per 2014-2015 membership pupil computed by subtracting from ~~$174,400.00~~ **$175,300.00** the 2014-2015 taxable value behind each membership pupil and multiplying the resulting difference by the 2014-2015 millage levied.

**(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2015-2016 SHALL BE MADE IN 2016-2017 AT AN AMOUNT PER 2015-2016 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM $179,600.00 THE 2015-2016 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2015-2016 MILLAGE LEVIED.**

**(5)** ~~(4)~~ The amount paid to a single intermediate district under this section shall not exceed 62.9% of the total amount allocated under subsection (2).

**(6)** ~~(5)~~ The amount paid to a single intermediate district under this section shall not be less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $36,611,300.00 for ~~2015-2016~~ **2016-2017** to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level career and technical education programs according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each career and technical education program area. The allocation of added cost funds shall be prioritized based on the capital and program expenditures needed to operate the career and technical education programs provided; the number of pupils enrolled; the advancement of pupils through the instructional program; the existence of an articulation agreement with at least 1 postsecondary institution that provides pupils with opportunities to earn postsecondary credit during the pupil's participation in the career and technical education program and transfers those credits to the postsecondary institution upon completion of the career and technical education program; **AND** the program rank in student placement, job openings, and wages**,** ~~; and the length of the training period provided,~~ and shall not exceed 75% of the added cost of any program. Notwithstanding any rule or department determination to the contrary, when determining a district's allocation or the formula for making allocations under this section, the department shall include the participation of pupils in grade 9 in all of those determinations and in all portions of the formula. With the approval of the department, the board of a district maintaining a secondary career and technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the superintendent.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local career and technical education administration, shared time career and technical education administration, and career education planning district career and technical education administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than $800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

(3) A career and technical education program funded under this section may provide an opportunity for participants who are eligible to be funded under section 107 to enroll in the career and technical education program funded under this section if the participation does not occur during regular school hours.

**(4) IN ADDITION TO THE MONEY ALLOCATED UNDER SUBSECTION (1), FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED $79,000.00 TO AN ELIGIBLE MICHIGAN-APPROVED 501(C)(3) ORGANIZATION FOR THE PURPOSES OF TEACHING OR TRAINING RESTAURANT MANAGEMENT AND CULINARY ARTS FOR CAREER AND PROFESSIONAL DEVELOPMENT. THE DEPARTMENT SHALL OVERSEE FUNDS**

**DISTRIBUTED TO AN ELIGIBLE GRANTEE UNDER THIS SECTION. AS USED IN THIS SUBSECTION, "ELIGIBLE MICHIGAN-APPROVED 501(C)(3) ORGANIZATION" MEANS AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, 26 USC 501, THAT PROVIDES CURRICULUM AND TRAINING TO STATE-APPROVED CAREER AND TECHNOLOGY EDUCATION PROGRAMS WITH CLASSIFICATION OF INSTRUCTIONAL PROGRAMS (CIP) CODES IN THE 12.05XX CATEGORY, AND THAT ADMINISTERS NATIONAL CERTIFICATION FOR THE PURPOSE OF RESTAURANT MANAGEMENT AND CULINARY ARTS FOR CAREER AND PROFESSIONAL DEVELOPMENT.**

Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~$10,000,000.00~~ **$1,000,000.00** for 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $9,000,000.00 FOR 2016-2017** for CTE early/middle college **AND CTE DUAL ENROLLMENT** programs authorized under this section. The purpose of these programs is to increase the number of Michigan residents with high-quality degrees or credentials, and to increase the number of students who are college and career ready upon high school graduation.

(2) From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for state-approved CTE early/middle college **AND CTE DUAL ENROLLMENT** programs in each of the prosperity regions and subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administrative costs for serving as the fiscal agent.

(3) To be an eligible fiscal agent, an intermediate district must agree to do all of the following in a form and manner determined by the department:

(a) Distribute funds to eligible CTE early/middle college **AND CTE DUAL ENROLLMENT** programs in a prosperity region or subregion as described in this section.

(b) Collaborate with the talent district career council that is located in the prosperity region or subregion to develop a regional strategic plan under subsection (4) that aligns CTE programs and services into an efficient and effective delivery system for high school students.

(c) Implement a regional process to rank career clusters in the prosperity region or subregion as described under subsection (4). Regional processes shall be approved by the department before the ranking of career clusters.

(d) Report CTE early/middle college **AND CTE DUAL ENROLLMENT** program and student data and information as prescribed by the department.

(4) A regional strategic plan must be approved by the talent district career council before submission to the department. A regional strategic plan shall include, but not be limited to, the following:

(a) An identification of regional employer need based on a ranking of all career clusters in the prosperity region or subregion ranked by 10-year job openings projections and median wage for each standard occupational code in each career cluster as obtained from the United States Bureau of Labor Statistics. Standard occupational codes within high-ranking clusters also may be further ranked by median wage. The rankings shall be reviewed by the talent district career council located in the prosperity region or subregion and modified if necessary to accurately reflect employer demand for talent in the prosperity region or subregion. **A TALENT DISTRICT CAREER COUNCIL SHALL DOCUMENT THAT IT HAS CONDUCTED THIS REVIEW AND CERTIFY THAT IT IS ACCURATE.** These career cluster rankings shall be determined and updated once every ~~3~~ **4** years.

(b) An identification of educational entities in the prosperity region or subregion that will provide eligible CTE early/middle college **AND CTE DUAL ENROLLMENT** programs including districts, intermediate districts, postsecondary institutions, and noncredit occupational training programs leading to an industry-recognized credential.

(c) A strategy to inform parents and students of CTE early/middle college **AND CTE DUAL ENROLLMENT** programs in the prosperity region or subregion.

(d) Any other requirements as defined by the department.

(5) An eligible CTE ~~early/middle college~~ program is a ~~5-year high school~~ program that meets all of the following:

(a) Has been identified in the highest 5 career cluster rankings in any of the 10 regional strategic plans jointly approved by the Michigan talent investment agency in the department of talent and economic development and the department.

(b) Has a coherent sequence of courses that will allow a student to earn a high school diploma and achieve at least 1 of the following in a specific career cluster:

(*i*) An associate degree.

(*ii*) An industry-recognized technical certification approved by the Michigan talent investment agency in the department of talent and economic development.

(*iii*) Up to 60 transferable college credits.

(*iv*) Participation in a registered apprenticeship.

(c) Is aligned with the Michigan merit curriculum.

(d) Has an articulation agreement with at least 1 postsecondary institution that provides students with opportunities to receive postsecondary credits during the student's participation in the CTE early/middle college **OR CTE DUAL ENROLLMENT** program and transfers those credits to the postsecondary institution upon completion of the CTE early/middle college **OR CTE DUAL ENROLLMENT** program.

(e) Provides instruction that is supervised, directed, or coordinated by an appropriately certificated CTE teacher or, for concurrent enrollment courses, a postsecondary faculty member.

(f) Provides for highly integrated student support services that include at least the following:

(*i*) Teachers as academic advisors.

(*ii*) Supervised course selection.

(*iii*) Monitoring of student progress and completion.

(*iv*) Career planning services provided by a local one-stop service center as described in the Michigan works one-stop service center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a high school counselor or advisor.

(g) Has courses that are taught on a college campus, are college courses offered at the high school and taught by college faculty, or are courses taught in combination with online instruction.

(6) Funds to eligible CTE early/middle college **AND CTE DUAL ENROLLMENT** programs shall be distributed as follows:

(a) The department shall calculate statewide average CTE costs per ~~full-time equated~~ pupil for each ~~career cluster~~ **CIP CODE PROGRAM** by dividing total prior year statewide costs for each ~~career cluster~~ **CIP CODE PROGRAM** by prior year ~~full-time equated~~ pupils for each ~~career cluster.~~ **CIP CODE PROGRAM.**

(b) Distribution to each eligible CTE early/middle college **OR CTE DUAL ENROLLMENT** program shall be the product of 50% of CTE costs per ~~full-time equated~~ pupil times the current year ~~full-time equated~~ pupil enrollment of each ~~career cluster in an~~ eligible CTE early/middle college **OR CTE DUAL ENROLLMENT** program.

(7) In order to receive funds under this section, a CTE early/middle college **OR CTE DUAL ENROLLMENT** program shall furnish to the intermediate district that is the fiscal agent identified in subsection (1), in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department.

**(8) THERE IS ALLOCATED FROM THE FUNDS UNDER SUBSECTION (1) AN AMOUNT NOT TO EXCEED $500,000.00 EACH FISCAL YEAR FOR 2015-2016 AND FOR 2016-2017 FOR GRANTS TO INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS FOR THE PURPOSE OF PLANNING FOR NEW OR EXPANDED EARLY MIDDLE COLLEGE PROGRAMS. APPLICATIONS FOR GRANTS SHALL BE SUBMITTED IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT. THE AMOUNT OF A GRANT UNDER THIS SUBSECTION SHALL NOT EXCEED $50,000.00. TO BE ELIGIBLE FOR A GRANT UNDER THIS SUBSECTION, AN INTERMEDIATE DISTRICT OR CONSORTIA OF INTERMEDIATE DISTRICTS MUST PROVIDE MATCHING FUNDS EQUAL TO THE GRANT RECEIVED UNDER THIS SUBSECTION. NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SUBSECTION MAY BE MADE AS DETERMINED BY THE DEPARTMENT.**

**(9)** ~~(8)~~ Funds distributed under this section may be used to fund program expenditures that would otherwise be paid from foundation allowances. **A PROGRAM RECEIVING FUNDING UNDER SECTION 61A MAY RECEIVE FUNDING UNDER THIS SECTION FOR ALLOWABLE COSTS THAT EXCEED THE REIMBURSEMENT THE PROGRAM RECEIVED UNDER SECTION 61A. THE COMBINED PAYMENTS RECEIVED BY A PROGRAM UNDER SECTION 61A AND THIS SECTION SHALL NOT EXCEED THE TOTAL ALLOWABLE COSTS OF THE PROGRAM.** A program provider shall not use more than 5% of the funds allocated under this section to the program for administrative costs.

**(10)** ~~(9)~~ If the allocation under subsection (1) is insufficient to fully fund payments as otherwise calculated under this section, the department shall prorate payments under this section on an equal percentage basis.

**(11)** ~~(10)~~ If pupils enrolled in a career cluster in an eligible CTE early/middle college **OR CTE DUAL ENROLLMENT** program qualify to be reimbursed under this section, those pupils continue to qualify for reimbursement until graduation, even if the career cluster is no longer identified as being in the highest 5 career cluster rankings.

**(12) IT IS THE INTENT OF THE LEGISLATURE TO PROVIDE FUNDS IN 2017-2018 TO REIMBURSE DISTRICTS WITH EARLY/MIDDLE COLLEGE PROGRAMS FOR THE ADDED COSTS OF PROVIDING BOTH A HIGH SCHOOL DIPLOMA AND AN ASSOCIATE'S DEGREE, INDUSTRY-RECOGNIZED CERTIFICATION, UP TO 60 TRANSFERABLE COLLEGE CREDITS, OR PARTICIPATION IN A REGISTERED APPRENTICESHIP IN LESS THAN 5 YEARS.**

**(13)** ~~(11)~~ As used in this section:

(a) "Allowable costs" means those costs directly attributable to the program as jointly determined by the Michigan talent investment agency and the department.

**(B) "CIP" MEANS CLASSIFICATION OF INSTRUCTIONAL PROGRAMS.**

**(C)** ~~(b)~~ "CTE" means career and technical education **PROGRAMS**.

**(D) "CTE DUAL ENROLLMENT PROGRAM" MEANS A 4-YEAR HIGH SCHOOL PROGRAM OF POSTSECONDARY COURSES OFFERED BY ELIGIBLE POSTSECONDARY EDUCATIONAL INSTITUTIONS THAT LEADS TO AN INDUSTRY-RECOGNIZED CERTIFICATION OR DEGREE.**

**(E) "EARLY/MIDDLE COLLEGE PROGRAM" MEANS A 5-YEAR HIGH SCHOOL PROGRAM.**

**(F) "ELIGIBLE POSTSECONDARY EDUCATIONAL INSTITUTION" MEANS THAT TERM AS DEFINED IN SECTION 3 OF THE CAREER AND TECHNICAL PREPARATION ACT, 2000 PA 258, MCL 388.1903.**

**(G)** ~~(e)~~ "Talent district career council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.

**SEC. 61C. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED $3,000,000.00 TO CAREER EDUCATION PLANNING DISTRICTS FOR THE CTE SKILLED TRADES INITIATIVE UNDER THIS SECTION.**

**(2) TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, EACH CEPD SHALL APPLY IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT. FUNDING TO EACH CEPD SHALL BE EQUAL TO THE QUOTIENT OF THE ALLOCATION UNDER SUBSECTION (1) AND THE SUM OF THE NUMBER OF COOPERATING EDUCATIONAL POLICY DISTRICTS APPLYING FOR FUNDING UNDER THIS SECTION.**

**(3) THE FUNDING ALLOCATED TO EACH CEPD SHALL BE USED TO UPDATE EQUIPMENT IN CURRENT CTE PROGRAMS THAT ARE SUPPORTING AND DRIVING ECONOMIC DEVELOPMENT IN THEIR INDIVIDUAL COMMUNITIES, OR FOR NEW AND EMERGING CERTIFIED CTE PROGRAMS TO ALLOW CEPD ADMINISTRATORS TO PROVIDE PROGRAMMING IN COMMUNITIES THAT WILL ENHANCE ECONOMIC DEVELOPMENT. THE FUNDING FOR EQUIPMENT SHOULD BE USED TO SUPPORT AND ENHANCE COMMUNITY AREAS THAT HAVE SUSTAINED JOB GROWTH, AND ACT AS A COMMITMENT TO BUILD A MORE QUALIFIED AND SKILLED WORKFORCE.**

**(4) THE ALLOCATION OF FUNDS AT THE LOCAL LEVEL SHALL BE DETERMINED BY CEPD ADMINISTRATORS USING DATA FROM THE STATE, REGION, AND LOCAL SOURCES TO MAKE WELL-INFORMED DECISIONS ON PROGRAM EQUIPMENT IMPROVEMENTS. GRANTS AWARDED BY CEPD ADMINISTRATORS FOR CAPITAL INFRASTRUCTURE SHALL BE USED TO ENSURE THAT CTE PROGRAMS CAN DELIVER EDUCATIONAL PROGRAMS IN HIGH-WAGE, HIGH-SKILL, AND HIGH-DEMAND OCCUPATIONS. EACH CEPD SHALL CONTINUE TO ENSURE THAT PROGRAM ADVISORY BOARDS MAKE RECOMMENDATIONS ON NEEDED IMPROVEMENTS FOR EQUIPMENT THAT SUPPORT JOB GROWTH AND JOB SKILL DEVELOPMENT AND RETENTION FOR BOTH THE PRESENT AND THE FUTURE.**

**(5) NOT LATER THAN SEPTEMBER 15 OF EACH FISCAL YEAR, EACH CEPD RECEIVING FUNDING UNDER THIS SECTION SHALL ANNUALLY REPORT TO THE DEPARTMENT, THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID, AND THE SENATE AND HOUSE FISCAL AGENCIES AND LEGISLATURE ON EQUIPMENT PURCHASED UNDER THIS SECTION. IN ADDITION, THE REPORT SHALL IDENTIFY GROWTH DATA ON PROGRAM INVOLVEMENT, RETENTION, AND DEVELOPMENT OF STUDENT SKILLS.**

**(6) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1), FROM THE FUNDS APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED $200,000.00 TO A DISTRICT TO SUPPORT A MECHATRONICS PROGRAM THAT OPERATED IN 2015-2016 FOR UPDATING MECHATRONICS PROGRAM EQUIPMENT. TO BE ELIGIBLE TO RECEIVE A GRANT UNDER THIS SUBSECTION, A PROGRAM SHALL BE A FLEXIBLE LEARNING PROGRAM THAT OFFERED IN 2015-2016 BOTH CLASSROOM AND HANDS-ON TRAINING IN MECHATRONICS.**

**(7) AS USED IN THIS SECTION, "CEPD" MEANS A CAREER EDUCATION PLANNING DISTRICT DESCRIBED IN THIS SECTION.**

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district or the total membership for the immediately preceding fiscal year of the area vocational-technical program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(*i*) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(*ii*) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed $9,190,000.00 **EACH FISCAL YEAR** for 2015-2016 **AND FOR 2016-2017** to reimburse intermediate districts and area vocational-technical education programs

established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 2014-2015 shall be made in 2015-2016 at an amount per 2014-2015 membership pupil computed by subtracting from ~~$189,400.00~~ **$192,200.00** the 2014-2015 taxable value behind each membership pupil and multiplying the resulting difference by the 2014-2015 millage levied.

**(4) REIMBURSEMENT FOR THE MILLAGES LEVIED IN 2015-2016 SHALL BE MADE IN 2016-2017 AT AN AMOUNT PER 2015-2016 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM $196,300.00 THE 2015-2016 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2015-2016 MILLAGE LEVIED.**

**(5)** ~~(4)~~ The amount paid to a single intermediate district under this section shall not exceed 38.4% of the total amount allocated under subsection (2).

**(6)** ~~(5)~~ The amount paid to a single intermediate district under this section shall not be less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

**SEC. 63. FROM THE APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED $250,000.00 FOR A PAYMENT TO AN INTERMEDIATE DISTRICT THAT IS PARTICIPATING IN A JOINT CAPITAL PROJECT WITH A LOCAL HEALTH DEPARTMENT IN WHICH THE HEALTH DEPARTMENT IS CONSTRUCTING A NEW BUILDING ON THE INTERMEDIATE DISTRICT'S PROPERTY THAT WILL HAVE AN ENCLOSED HALLWAY TO CONNECT WITH A CAREER AND TECHNICAL EDUCATION CENTER. THIS ALLOCATION IS TO SUPPORT THE COSTS INCURRED BY THE INTERMEDIATE DISTRICT DUE TO THIS PROJECT.**

Sec. 64b. (1) From the appropriation in section 11, there is allocated an amount not to exceed $1,750,000.00 **EACH FISCAL YEAR** for 2015-2016 **AND FOR 2016-2017** for supplemental payments to districts that support the attendance of district pupils in grades 9 to 12 under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that support the attendance of district pupils in a concurrent enrollment program if the district meets the requirements under subsection (3). Programs funded under this section are intended to increase the number of pupils who are college- and career-ready upon high school graduation.

(2) To be eligible for payments under this section for supporting the attendance of district pupils under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, a district shall do all of the following:

(a) Provide information to all high school pupils on postsecondary enrollment options, including enrollment eligibility, the institutions and types of courses that are eligible for participation, the decision-making process for granting academic credit, and an explanation of eligible charges that will be paid by the district.

(b) Enter into a written agreement with a postsecondary institution before the enrollment of district pupils.

(c) Agree to pay all eligible charges pursuant to section 21b.

(d) Award high school credit for the postsecondary course if the pupil successfully completes the course.

(3) To be eligible for payments under this section for pupils enrolled in a concurrent enrollment program, a district shall do all of the following:

(a) Provide information to all high school pupils on postsecondary enrollment options, including enrollment eligibility, the institutions and types of courses that are eligible for participation, the decision-making process for granting academic credit, and an explanation of eligible charges that will be paid by the district.

(b) Enter into a written agreement with a postsecondary institution establishing the concurrent enrollment program before the enrollment of district pupils in a postsecondary course through the postsecondary institution.

(c) Ensure that the course is taught by either a high school teacher or postsecondary faculty pursuant to standards established by the postsecondary institution with which the district has entered into a written agreement to operate the concurrent enrollment program.

(d) Ensure that the written agreement provides that the postsecondary institution agrees not to charge the pupil for any cost of the program.

(e) Ensure that the course is taught in the local district or intermediate district.

(f) Ensure that the pupil is awarded both high school and college credit at ~~any~~ **A** community college or state public university in this state upon successful completion of the course as outlined in the agreement with the postsecondary institution.

(4) Funds shall be awarded to eligible districts under this section in the following manner:

(a) A payment of $10.00 per credit, for up to 3 credits, for a credit-bearing course in which a pupil enrolls during the 2015-2016 **OR 2016-2017** school year**, AS APPLICABLE,** as described under either subsection (2) or (3).

(b) An additional payment of $30.00 per-pupil per course identified in subdivision (a), if the pupil successfully completes, and is awarded both high school and postsecondary credit for, the course during the 2015-2016 **OR 2016-2017** school year**, AS APPLICABLE**.

(5) A district requesting payment under this section shall submit an application to the department in the form and manner prescribed by the department. Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the department.

Sec. 65. (1) From the general fund money appropriated under section 11, there is allocated an amount not to exceed $340,000.00 for ~~2015-2016~~ **2016-2017** for a pre-college engineering K-12 educational program that is focused on the development of a diverse future Michigan workforce, that serves multiple communities within southeast Michigan, that enrolls pupils from multiple districts, and that received funds appropriated for this purpose in the appropriations act that provided the Michigan strategic fund budget for 2014-2015.

(2) To be eligible for funding under this section, a program must have the ability to expose pupils to, and motivate and prepare pupils for, science, technology, engineering, and mathematics careers and postsecondary education with special attention given to groups of pupils who are at-risk and underrepresented in technical professions and careers.

Sec. 67. (1) From the general fund amount appropriated in section 11, there is allocated an amount not to exceed ~~$3,600,000.00 for 2015-2016~~ **$3,050,000.00 FOR 2016-2017** for college and career preparation activities. The programs funded under this section are intended to inform students of college and career options and to provide a wide array of tools and resources intended to increase the number of pupils who are adequately prepared with the information needed to make informed decisions on college and career. The funds appropriated under this section are intended to be used to increase the number of Michigan residents with high-quality degrees or credentials. Funds appropriated under this section shall not be used to supplant funding for counselors already funded by districts.

(2) From the amount allocated in subsection (1), an amount not to exceed $3,000,000.00 shall be used for the college access program. The talent investment agency of the department of talent and economic development shall administer these funds in collaboration with the Michigan college access network. These funds may be used for any of the following purposes:

(a) Michigan college access network operations, programming, and services to local college access networks.

(b) Local college access networks, which are community-based college access/success partnerships committed to increasing the college participation and completion rates within geographically defined communities through a coordinated strategy.

(c) The Michigan college advising program, a program intended to place trained, recently graduated college advisors in high schools that serve significant numbers of low-income and first-generation college-going pupils. State funds used for this purpose may not exceed 33% of the total funds available under this subsection.

(d) Subgrants of up to $5,000.00 to districts with comprehensive high schools that establish a college access team and implement specific strategies to create a college-going culture in a high school in a form and manner approved by the Michigan college access network and the Michigan talent investment agency.

(e) The Michigan college access portal, an online one-stop portal to help pupils and families plan and apply for college.

(f) Public awareness and outreach campaigns to encourage low-income and first-generation college-going pupils to take necessary steps toward college and to assist pupils and families in completing a timely and accurate free application for federal student aid.

(g) Subgrants to postsecondary institutions to recruit, hire, and train college student mentors and college advisors to assist high school pupils in navigating the postsecondary planning and enrollment process.

(3) From the amount allocated in subsection (1), an amount not to exceed ~~$600,000.00~~ **$50,000.00** shall be used for ~~the purposes of this subsection. The talent investment agency of the department of talent and economic development shall administer these funds in collaboration with the Michigan college access network and the Michigan Virtual University to provide all of the following:~~

~~(a) A pilot~~ **AN** outreach program to provide information to pupils, parents, and educators on dual enrollment and other opportunities available to high school pupils to earn postsecondary credits, industry-recognized technical certifications, and participation in registered apprenticeships at no cost.

~~(b) An online career planning tool that meets all of the following:~~

~~(*i*) Helps pupils create educational development plans before starting high school.~~

~~(*ii*) Provides information to pupils allowing them to make more informed choices about career and education options.~~

~~(*iii*) Is available to pupils at no cost.~~

(4) For the purposes of this section, "college" means any postsecondary educational opportunity that leads to a career, including, but not limited to, a postsecondary degree, industry-recognized technical certification, or registered apprenticeship.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed ~~$3,315,700.00 for 2015-2016~~ **$3,320,600.00 FOR 2016-2017** for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated for ~~2015-2016~~ **2016-2017** the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this article for nonspecial education auxiliary services transportation.

(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed ~~$1,690,700.00 for 2015-2016~~ **$1,695,600.00 FOR 2016-2017** for reimbursement to districts and intermediate districts for costs associated with the inspection of school buses and pupil transportation vehicles by the department of state police as required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs attributable to each district for which bus inspections are provided and submit it to the department and to an intermediate district serving as fiduciary in a time and manner determined jointly by the department and the department of state police. Upon review and approval of the statement of cost, the department shall forward to the designated intermediate district serving as fiduciary the amount of the reimbursement on behalf of each district and intermediate district for costs detailed on the statement within 45 days after receipt of the statement. The designated intermediate district shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.

Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2015-2016~~ **2016-2017** to the intermediate districts the sum necessary, but not to exceed $67,108,000.00 to provide state aid to intermediate districts under this section.

(2) From the allocation in subsection (1), there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $67,108,000.00 for allocations to each intermediate district in an amount equal to ~~103.1%~~ **100%** of the amount allocated to the intermediate district under this subsection for ~~2014-2015.~~ **2015-2016.** Funding provided under this section shall be used to comply with requirements of this article and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this article, and to provide technical assistance to districts as authorized by the intermediate school board.

(3) Intermediate districts receiving funds under subsection (2) shall collaborate with the department to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan merit curriculum.

(4) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of $3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(5) In order to receive funding under subsection (2), an intermediate district shall do all of the following:

(a) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil accounting and auditing procedures, rules, and regulations.

(b) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in rules, regulations, and district reporting procedures for the individual-level student data that serves as the basis for the calculation of the district and high school graduation and dropout rates.

(c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(d) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(e) Comply with section 1230g of the revised school code, MCL 380.1230g.

(f) Comply with section 761 of the revised school code, MCL 380.761.

Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to the department for ~~2015-2016~~ **2016-2017** an amount not to exceed $250,000.00 for efforts to increase the number of pupils who participate and succeed in advanced placement and international baccalaureate programs.

(2) From the funds allocated under this section, the department shall award funds to cover all or part of the costs of advanced placement test fees or international baccalaureate test fees **AND INTERNATIONAL BACCALAUREATE REGISTRATION FEES** for low-income pupils who take an advanced placement or an international baccalaureate test. Payments shall not exceed $20.00 per test completed **OR $150.00 PER INTERNATIONAL BACCALAUREATE REGISTRATION FEES PER PUPIL REGISTERED**.

(3) The department shall only award funds under this section if the department determines that all of the following criteria are met:

(a) Each pupil for whom payment is made meets eligibility requirements of the federal advanced placement test fee program under section 1701 of the no child left behind act of 2001, Public Law 107-110**, OR UNDER A CORRESPONDING PROVISION OF THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95**.

(b) The tests are administered by the college board, the international baccalaureate organization, or another test provider approved by the department.

(c) The pupil for whom payment is made pays at least $5.00 toward the cost of each test for which payment is made.

(4) The department shall establish procedures for awarding funds under this section.

(5) Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the department.

Sec. 94a. (1) There is created within the state budget office in the department of technology, management, and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from districts, intermediate districts, and postsecondary institutions.

(b) Create, maintain, and enhance this state's P-20 longitudinal data system and ensure that it meets the requirements of subsection (4).

(c) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities, including, but not limited to, electronic transcript services.

(d) Create, maintain, and enhance this state's web-based educational portal to provide information to school leaders, teachers, researchers, and the public in compliance with all federal and state privacy laws. Data shall include, but are not limited to, all of the following:

(*i*) Data sets that link teachers to student information, allowing districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

(*ii*) Data access or, if practical, data sets, provided for regional data warehouses that, in combination with local data, can improve teaching and learning in the classroom.

(*iii*) Research-ready data sets for researchers to perform research that advances this state's educational performance.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide public reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts, intermediate districts, or postsecondary institutions as required under state or federal law shall make arrangements with the center to ensure that the state department, officer, or agency is in compliance with subsection (1). This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The center may enter into any interlocal agreements necessary to fulfill its functions.

(4) The center shall ensure that the P-20 longitudinal data system required under subsection (1)(b) meets all of the following:

(a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.

(b) Supports interoperability by using standard data structures, data formats, and data definitions to ensure linkage and connectivity in a manner that facilitates the exchange of data among agencies and institutions within the state and between states.

(c) Enables the matching of individual teacher and student records so that an individual student may be matched with those teachers providing instruction to that student.

(d) Enables the matching of individual teachers with information about their certification and the institutions that prepared and recommended those teachers for state certification.

(e) Enables data to be easily generated for continuous improvement and decision-making, including timely reporting to parents, teachers, and school leaders on student achievement.

(f) Ensures the reasonable quality, validity, and reliability of data contained in the system.

(g) Provides this state with the ability to meet federal and state reporting requirements.

(h) For data elements related to preschool through grade 12 and postsecondary, meets all of the following:

(*i*) Contains a unique statewide student identifier that does not permit a student to be individually identified by users of the system, except as allowed by federal and state law.

(*ii*) Contains student-level enrollment, demographic, and program participation information.

(*iii*) Contains student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete education programs.

(*iv*) Has the capacity to communicate with higher education data systems.

(i) For data elements related to preschool through grade 12 only, meets all of the following:

(*i*) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.

(*ii*) Contains student-level transcript information, including information on courses completed and grades earned.

(*iii*) Contains student-level college readiness test scores.

(j) For data elements related to postsecondary education only:

(*i*) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:

(A) Enrollment in remedial coursework.

(B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.

(*ii*) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

(5) From the general fund appropriation in section 11, there is allocated an amount not to exceed ~~$11,967,000.00 for 2015-2016~~ **$12,173,200.00 FOR 2016-2017** to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11 there is allocated for ~~2015-2016~~ **2016-2017** the amount necessary, estimated at $193,500.00, to support the operations of the center and to establish a P-20 longitudinal data system necessary for state and federal reporting purposes. The center shall cooperate with the department to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state.

(6) From the funds allocated in subsection (5), the center may use an amount determined by the center for competitive grants for ~~2015-2016~~ **2016-2017** to support collaborative efforts on the P-20 longitudinal data system. All of the following apply to grants awarded under this subsection:

(a) The center shall award competitive grants to eligible intermediate districts or a consortium of intermediate districts based on criteria established by the center.

(b) Activities funded under the grant shall support the P-20 longitudinal data system portal and may include portal hosting, hardware and software acquisition, maintenance, enhancements, user support and related materials, and professional learning tools and activities aimed at improving the utility of the P-20 longitudinal data system.

(c) An applicant that received a grant under this subsection for the immediately preceding fiscal year shall receive priority for funding under this section. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new applicants.

(7) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.

(8) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (5) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(9) As used in this section:

(a) "DED-OESE" means the United States Department of Education Office of Elementary and Secondary Education.

(b) "State education agency" means the department.

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $7,387,500.00 for ~~2015-2016~~ **2016-2017** for the purposes described in this section. **THE MICHIGAN VIRTUAL UNIVERSITY SHALL PROVIDE A REPORT TO THE LEGISLATURE NOT LATER THAN NOVEMBER 1, 2016 THAT INCLUDES ITS MISSION, ITS PLANS, AND PROPOSED BENCHMARKS IT MUST MEET, WHICH SHALL INCLUDE A PLAN TO ACHIEVE A 50% INCREASE IN DOCUMENTED IMPROVEMENT IN EACH REQUIREMENT OF THE MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE AND MICHIGAN VIRTUAL SCHOOL, AND ALL OTHER ORGANIZATIONAL PRIORITIES IDENTIFIED IN THIS SECTION, IN ORDER TO RECEIVE FULL FUNDING FOR 2017-2018. NOT LATER THAN MARCH 1, 2017, THE MICHIGAN VIRTUAL UNIVERSITY SHALL PROVIDE AN UPDATE TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID TO SHOW THE PROGRESS BEING MADE TO MEET THE BENCHMARKS IDENTIFIED.**

(2) The Michigan Virtual University shall operate the Michigan Virtual Learning Research Institute. The Michigan Virtual Learning Research Institute shall do all of the following:

(a) Support and accelerate innovation in education through the following activities:

(*i*) Test, evaluate, and recommend as appropriate new technology-based instructional tools and resources.

(*ii*) Research, design, and recommend ~~digital~~ **VIRTUAL** education delivery models for use by pupils and teachers that include age-appropriate multimedia instructional content.

(*iii*) Research, develop, and recommend annually to the department criteria by which cyber schools and ~~online~~ **VIRTUAL** course providers should be monitored and evaluated to ensure a quality education for their pupils.

(*iv*) Based on pupil completion and performance data reported to the department or the center for educational performance and information from cyber schools and other ~~online~~ **VIRTUAL** course providers operating in this state, analyze the effectiveness of ~~online~~ **VIRTUAL** learning delivery models in preparing pupils to be college- and career-ready and publish a report that highlights enrollment totals, completion rates, and the overall impact on pupils. The report shall be submitted to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, ~~and~~ the department**, DISTRICTS, AND INTERMEDIATE DISTRICTS** not later than March 31, ~~2016.~~**2017.**

(*v*) Before August 31, ~~2016,~~ **2017,** provide an extensive professional development program to at least ~~500~~ **30,000** educational personnel, including teachers, school administrators, and school board members, that focuses on the effective integration of ~~digital~~ **VIRTUAL** learning into curricula and instruction. **THE MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE IS ENCOURAGED TO WORK WITH THE MISTEM ADVISORY COUNCIL CREATED UNDER SECTION 99S TO COORDINATE PROFESSIONAL DEVELOPMENT OF TEACHERS IN APPLICABLE FIELDS.**

**IN ADDITION, THE DEPARTMENT SHALL COORDINATE WITH THE MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE AND EXTERNAL STAKEHOLDERS FOR PROFESSIONAL DEVELOPMENT IN THIS STATE.** Not later than December 1, ~~2016,~~ **2017,** the Michigan Virtual Learning Research Institute shall submit a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department on the number and percentage of teachers, school administrators, and school board members who have received professional development services from the Michigan Virtual University. The report shall also identify barriers and other opportunities to encourage the adoption of ~~digital~~ **VIRTUAL** learning in the public education system.

(*vi*) Identify and share best practices for planning, implementing, and evaluating ~~online~~ **VIRTUAL** and blended education delivery models with intermediate districts, districts, and public school academies to accelerate the adoption of innovative education delivery models statewide.

(b) Provide leadership for this state's system of ~~digital~~ **VIRTUAL** learning education by doing the following activities:

(*i*) Develop and report policy recommendations to the governor and the legislature that accelerate the expansion of effective ~~online~~ **VIRTUAL** learning in this state's schools.

(*ii*) Provide a clearinghouse for research reports, academic studies, evaluations, and other information related to ~~online~~ **VIRTUAL** learning.

(*iii*) Promote and distribute the most current instructional design standards and guidelines for ~~online~~ **VIRTUAL** teaching.

(*iv*) In collaboration with the department and interested colleges and universities in this state, support implementation and improvements related to effective ~~digital~~ **VIRTUAL** learning instruction.

(*v*) Pursue public/private partnerships that include districts to study and implement competency-based technology-rich ~~online~~ **VIRTUAL** learning models.

(*vi*) Create a statewide network of school-based mentors serving as liaisons between pupils, ~~online~~ **VIRTUAL** instructors, parents, and school staff**, AS PROVIDED BY THE DEPARTMENT OR THE CENTER,** and provide mentors with research-based training and technical assistance designed to help more pupils be successful ~~online~~ **VIRTUAL** learners.

(*vii*) Convene focus groups and conduct annual surveys of teachers, administrators, pupils, parents, and others to identify barriers and opportunities related to ~~online~~ **VIRTUAL** learning.

(*viii*) Produce an annual consumer awareness report for schools and parents about effective ~~online~~ **VIRTUAL** education providers and education delivery models, performance data, cost structures, and research trends.

(*ix*) Research and establish an ~~Internet-based~~ **INTERNET-BASED** platform that educators can use to create student-centric learning tools and resources and facilitate a user network that assists educators in using the platform. As part of this initiative, the Michigan Virtual University shall work collaboratively with districts and intermediate districts to establish a plan to make available ~~online~~ **VIRTUAL** resources that align to Michigan's K-12 curriculum standards for use by students, educators, and parents.

(*x*) Create and maintain a public statewide catalog of ~~online~~ **VIRTUAL** learning courses being offered by all public schools and community colleges in this state. The Michigan Virtual Learning Research Institute shall identify and develop a list of nationally recognized best practices for ~~online~~ **VIRTUAL** learning and use this list to support reviews of ~~online~~ **VIRTUAL** course vendors, courses, and instructional practices. The Michigan Virtual Learning Research Institute shall also provide a mechanism for intermediate districts to use the identified best practices to review content offered by constituent districts. The Michigan Virtual Learning Research Institute shall review the ~~online~~ **VIRTUAL** course offerings of the Michigan Virtual University, and make the results from these reviews available to the public as part of the statewide catalog. The Michigan Virtual Learning Research Institute shall ensure that the statewide catalog is made available to the public on the Michigan Virtual University website and shall allow the ability to link it to each district's website as provided for in section 21f. The statewide catalog shall also contain all of the following:

(A) The number of enrollments in each ~~online~~ **VIRTUAL** course in the immediately preceding school year.

(B) The number of enrollments that earned 60% or more of the total course points for each ~~online~~ **VIRTUAL** course in the immediately preceding school year.

(C) The completion rate for each ~~online~~ **VIRTUAL** course.

(*xi*) Develop prototype and pilot registration, payment services, and transcript functionality to the statewide catalog and train key stakeholders on how to use new features.

(*xii*) Collaborate with key stakeholders to examine district level accountability and teacher effectiveness issues related to ~~online~~ **VIRTUAL** learning under section 21f and make findings and recommendations publicly available.

**(*xiii*) PROVIDE A REPORT ON THE ACTIVITIES OF THE MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE.**

(3) To further enhance its expertise and leadership in ~~digital~~ **VIRTUAL** learning, the Michigan Virtual University shall continue to operate the Michigan Virtual School as a statewide laboratory and quality model of instruction by implementing ~~online~~ **VIRTUAL** and blended learning solutions for Michigan schools in accordance with the following parameters:

(a) The Michigan Virtual School must maintain its accreditation status from recognized national and international accrediting entities.

(b) The Michigan Virtual University shall use no more than $1,000,000.00 of the amount allocated under this section to subsidize the cost paid by districts for ~~online~~ **VIRTUAL** courses.

(c) In providing educators responsible for the teaching of ~~online~~ **VIRTUAL** courses as provided for in this section, the Michigan Virtual School shall follow the requirements to request and assess, and the department of state police shall provide, a criminal history check and criminal records check under sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, in the same manner as if the Michigan Virtual School were a school district under those sections.

(4) If the course offerings are included in the statewide catalog of ~~online~~ **VIRTUAL** courses under subsection (2)(b)(*ix*), the Michigan Virtual School operated by the Michigan Virtual University may offer ~~online~~ **VIRTUAL** course offerings, including, but not limited to, all of the following:

(a) Information technology courses.

(b) College level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(c) Courses and dual enrollment opportunities.

(d) Programs and services for at-risk pupils.

(e) High school equivalency test preparation courses for adjudicated youth.

(f) Special interest courses.

(g) Professional development programs for teachers, school administrators, other school employees, and school board members.

(5) If a home-schooled or nonpublic school student is a resident of a district that subscribes to services provided by the Michigan Virtual School, the student may use the services provided by the Michigan Virtual School to the district without charge to the student beyond what is charged to a district pupil using the same services.

(6) Not later than December 1 of each fiscal year, the Michigan Virtual University shall provide a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department that includes at least all of the following information related to the Michigan Virtual School for the preceding state fiscal year:

(a) A list of the districts served by the Michigan Virtual School.

(b) A list of ~~online~~ **VIRTUAL** course titles available to districts.

(c) The total number of ~~online~~ **VIRTUAL** course enrollments and information on registrations and completions by course.

(d) The overall course completion rate percentage.

**(7) IN ADDITION TO THE INFORMATION LISTED IN SUBSECTION (6), THE REPORT UNDER SUBSECTION (6) SHALL ALSO INCLUDE A PLAN TO SERVE AT LEAST 600 SCHOOLS WITH COURSES FROM THE MICHIGAN VIRTUAL SCHOOL OR WITH CONTENT AVAILABLE THROUGH THE INTERNET-BASED PLATFORM IDENTIFIED IN SUBSECTION (2)(B)(*ix*).**

**(8)** ~~(7)~~ The governor may appoint an advisory group for the Michigan Virtual Learning Research Institute established under subsection (2). The members of the advisory group shall serve at the pleasure of the governor and shall serve without compensation. The purpose of the advisory group is to make recommendations to the governor, the legislature, and the president and board of the Michigan Virtual University that will accelerate innovation in this state's education system in a manner that will prepare elementary and secondary students to be career and college ready and that will promote the goal of increasing the percentage of citizens of this state with high-quality degrees and credentials to at least 60% by 2025.

**(9)** ~~(8)~~ Not later than November 1, ~~2015,~~ **2016,** the Michigan Virtual University shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a detailed budget for the ~~2015-2016~~ **2016-2017** fiscal year that includes a breakdown on its projected costs to deliver ~~online~~ **VIRTUAL** educational services to districts and a summary of the anticipated fees to be paid by districts for those services. Not later than March 1 each year, the Michigan Virtual University shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a breakdown on its actual costs to deliver ~~online~~ **VIRTUAL** educational services to districts and a summary of the actual fees paid by districts for those services based on audited financial statements for the immediately preceding fiscal year.

**(10)** ~~(9)~~ As used in this section:

(a) "Blended learning" means a hybrid instructional delivery model where pupils are provided content, instruction, and assessment, in part at a supervised educational facility away from home where the pupil and a teacher with a valid Michigan teaching certificate are in the same physical location and in part through Internet-connected learning environments with some degree of pupil control over time, location, and pace of instruction.

(b) "Cyber school" means a full-time instructional program of ~~online~~ **VIRTUAL** courses for pupils that may or may not require attendance at a physical school location.

~~(c) "Digital learning" means instruction delivered via a web-based educational delivery system that uses various information technologies to provide a structured learning environment, including online and blended learning instructional methods.~~

**(C)** ~~(d) "Online~~ **"VIRTUAL** course" means a course of study that is capable of generating a credit or a grade ~~,~~ **AND** that is provided in an interactive ~~Internet-connected~~ learning environment ~~,~~ **IN WHICH THE MAJORITY OF THE CURRICULUM IS DELIVERED USING THE INTERNET AND** in which pupils are separated from their ~~teachers~~ **INSTRUCTOR OR TEACHER OF RECORD** by time or location, or both**.** ~~, and in which a teacher who holds a valid Michigan teaching certificate is responsible for providing instruction, determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.~~

Sec. 99h. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~$2,000,000.00~~ **$2,500,000.00** for ~~2015-2016~~ **2016-2017** for competitive grants to districts that provide pupils in grades ~~7~~ **K** to 12 with expanded opportunities to improve mathematics, science, and technology skills by participating in events hosted by a science and technology development program known as FIRST (for inspiration and recognition of science and technology) robotics**, INCLUDING JR FIRST LEGO LEAGUE, FIRST LEGO LEAGUE, FIRST TECH CHALLENGE, AND FIRST ROBOTICS COMPETITION**. **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL GRADUATION.**

(2) A district applying for a ~~FIRST tech challenge or FIRST robotics competition program~~ grant **UNDER THIS SECTION** shall submit an application in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that the district has established a partnership for the purposes of the FIRST program with at least 1 sponsor, business entity, higher education institution, or technical school, shall submit a spending plan, and shall pay at least 25% of the cost of the FIRST robotics program.

(3) The department shall distribute the grant funding under this section for the following purposes:

(a) Grants to districts to pay for stipends of $1,500.00 for 1 coach per team**.** ~~, distributed as follows:~~

~~(*i*) Not more than 500 stipends for coaches of high school teams, including existing teams.~~

~~(*ii*) Not more than 100 stipends for coaches of middle school or junior high teams, including existing teams.~~

~~(*iii*)~~ If the requests for stipends exceed the numbers of stipends allowed**,** ~~under subparagraphs (*i*) and (*ii*),~~ and if there is funding remaining unspent under subdivisions (b) and (c), the department shall use that remaining unspent funding for grants to districts to pay for additional stipends in a manner that expands the geographical distribution of teams.

(b) Grants to districts for event registrations, materials, travel costs, and other expenses associated with the preparation for and attendance at ~~FIRST tech challenge and~~ FIRST robotics **EVENTS AND** competitions. Each grant recipient shall provide a local match from other private or local funds for the funds received under this subdivision equal to at least 50% of the costs of participating in an event. The department shall set maximum grant amounts under this subdivision in a manner that maximizes the number of teams that will be able to receive funding.

(c) Grants to districts for awards to teams that advance to the state and world championship competitions. The department shall determine an equal amount per team for those teams that advance to the state championship and a second equal award amount to those teams that advance to the world championship.

(4) The funds allocated under this section are a work project appropriation, and any unexpended funds for ~~2015-2016~~ **2016-2017** are carried forward into ~~2016-2017.~~ **2017-2018.** The purpose of the work project is to continue to implement the projects described under subsection (1). The estimated completion date of the work project is September 30, ~~2018.~~**2019.**

Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed ~~$3,250,000.00~~ **$3,000,000.00** from the state school aid fund appropriation and an amount not to exceed ~~$775,000.00~~ **$1,300,000.00** from the general fund appropriation for Michigan science, technology, engineering, and mathematics (MiSTEM) programs. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount estimated at $5,249,300.00 from DED-OESE, title II, mathematics and science partnership grants. **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL GRADUATION.**

(2) From the general fund allocation in subsection (1), there is allocated an amount not to exceed $50,000.00 to the department for administrative**, TRAINING,** and travel costs related to the MiSTEM advisory council. All of the following apply to the MiSTEM advisory council funded under this subsection:

(a) The MiSTEM advisory council is created. The MiSTEM advisory council shall provide to the governor, legislature, department of talent and economic development, and department recommendations designed to improve and promote innovation in STEM education and **TO** prepare students for careers in science, technology, engineering, and mathematics.

(b) The MiSTEM advisory council created under subdivision (a) shall consist of the following members:

(*i*) The governor shall appoint 11 voting members who are representative of business sectors that are important to Michigan's economy and rely on a STEM-educated workforce, nonprofit organizations and associations that promote STEM education, K-12 and postsecondary education entities involved in STEM-related career education, or other sectors as considered appropriate by the governor. Each of these members shall serve at the pleasure of the governor and for a term determined by the governor.

(*ii*) The senate majority leader shall appoint 2 members of the senate to serve as nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority party member and 1 minority party member.

(*iii*) The speaker of the house of representatives shall appoint 2 members of the house of representatives to serve as nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority party member and 1 minority party member.

(c) Each member of the MiSTEM advisory council shall serve without compensation.

(d) The MiSTEM advisory council shall recommend **TO THE GOVERNOR, THE LEGISLATURE, AND THE DEPARTMENT** a statewide strategy for delivering STEM education-related opportunities to pupils and objective criteria for determining preferred STEM programs. ~~The MiSTEM advisory council also shall make funding recommendations to the~~

~~governor, legislature, and department for funding programs under this section for 2016-2017 not later than March 1, 2016, including, but not limited to, recommendations concerning funding for the STEM programs funded under this section for 2015-2016, and shall continue to make funding recommendations annually thereafter.~~**THE MISTEM ADVISORY COUNCIL SHALL USE FUNDS RECEIVED UNDER THIS SUBSECTION TO PURCHASE TRAINING FOR ITS MEMBERS OR THEIR DESIGNEES FROM THE CHANGE THE EQUATION STEMWORKS RATING SYSTEM PROGRAM FOR THE PURPOSE OF RATING STEM PROGRAMS.**

**(E) NOT LATER THAN OCTOBER 15 OF EACH FISCAL YEAR, THE MISTEM ADVISORY COUNCIL SHALL PROVIDE STEM QUALITY RATINGS FOR PROGRAMS RECOMMENDED FOR FUNDING UNDER SUBSECTION (3). THE MISTEM ADVISORY COUNCIL SHALL MAKE SPECIFIC FUNDING RECOMMENDATIONS FOR THE FUNDS ALLOCATED UNDER SUBSECTION (3) BY DECEMBER 15 OF EACH FISCAL YEAR. THE AMOUNT OF EACH GRANT RECOMMENDED SHALL NOT EXCEED $250,000.00.**

**(F) IF THE MISTEM ADVISORY COUNCIL IS UNABLE TO MAKE SPECIFIC FUNDING RECOMMENDATIONS BY DECEMBER 15 OF A FISCAL YEAR, THE DEPARTMENT SHALL DISTRIBUTE THE FUNDS ALLOCATED UNDER SUBSECTION (3) ON A COMPETITIVE GRANT BASIS THAT AT LEAST FOLLOWS THE QUALITY GUIDELINES AND PRIORITY AREAS RECOMMENDED BY THE MISTEM ADVISORY COUNCIL. EACH GRANT SHALL NOT EXCEED $250,000.00 AND MUST PROVIDE STEM EDUCATION-RELATED OPPORTUNITIES FOR PUPILS.**

**(G)** ~~(e)~~ The MiSTEM advisory council shall work with directors of mathematics and science centers funded under subsection ~~(3)~~ **(4)** to connect educators with businesses, workforce developers, economic developers, community colleges, and universities.

**(3) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED $1,000,000.00 FOR THE PURPOSE OF FUNDING PROGRAMS UNDER THIS SECTION FOR 2016-2017, AS RECOMMENDED BY THE MISTEM ADVISORY COUNCIL.**

**(4)** ~~(3)~~ From the state school aid fund allocation under subsection (1), there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $2,750,000.00 to support the activities and programs of mathematics and science centers. In addition, from the federal funds allocated under subsection (1), there is allocated for ~~2015-2016~~ **2016-2017** an amount estimated at $5,249,300.00 from DED-OESE, title II, mathematics and science partnership grants, for the purposes of this subsection. All of the following apply to the programs and funding under this subsection:

(a) Within a service area designated locally, approved by the department, and consistent with the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, an established mathematics and science center shall provide 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(b) The department shall not award a state grant under this subsection to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.

(c) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this subsection.

(d) Allocations under this subsection to support the activities and programs of mathematics and science centers shall be continuing support grants to all 33 established mathematics and science centers. For ~~2015-2016,~~ **2016-2017,** each established mathematics and science center ~~that was funded for 2014-2015 under former section 99~~ shall receive state funding in an amount equal to 100% of the amount it was allocated under former section 99 for ~~2014-2015.~~ **2015-2016.** If a center declines state funding or a center closes, the remaining money available under this subsection shall be distributed to the remaining centers, as determined by the department.

(e) From the funds allocated under this subsection, the department shall distribute for ~~2015-2016~~ **2016-2017** an amount not to exceed $750,000.00 in a form and manner determined by the department to those centers able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science. Funding under this subdivision is in addition to funding allocated under subdivision (d).

(f) In order to receive state or federal funds under this subsection, a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(g) Not later than September 30, ~~2018,~~ **2017,** the department shall ~~reevaluate and update~~ **WORK WITH THE MISTEM ADVISORY COUNCIL TO REVISE** the comprehensive master plan described in subdivision (a) **TO ENSURE THAT THE COMPREHENSIVE MASTER PLAN IS IN COMPLIANCE WITH THE STATEWIDE STRATEGY DEVELOPED BY THE COUNCIL UNDER SUBSECTION (2)(D). THE COMPREHENSIVE MASTER PLAN SHALL INCLUDE A REVIEW OF THE FEASIBILITY OF CONSOLIDATING AND REDUCING THE NUMBER OF MATHEMATICS AND SCIENCE CENTERS.**

(h) The department shall give preference in awarding the federal grants allocated under this subsection to eligible existing mathematics and science centers.

(i) In order to receive state funds under this subsection, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this subsection.

(j) Not later than July 1 of each year, a mathematics and science center that receives funds under this subsection shall report to the department in a form and manner prescribed by the department on the following performance measures:

(*i*) Statistical change in pre- and post-assessment scores for students who enrolled in mathematics and science activities provided to districts by the mathematics and science center.

(*ii*) Statistical change in pre- and post-assessment scores for teachers who enrolled in professional development activities provided by the mathematics and science center.

(k) As used in this subsection:

(*i*) "DED" means the United States Department of Education.

(*ii*) "DED-OESE" means the DED Office of Elementary and Secondary Education.

~~(4) From the general fund money allocated under subsection (1), there is allocated for 2015-2016 an amount not to exceed $100,000.00 to the Michigan STEM partnership, to be used to administer the grant process under this subsection. From the general fund money allocated in subsection (1), there is allocated for 2015-2016 an amount not to exceed $375,000.00 to the Michigan STEM partnership to be used for a competitive grant process to award competitive grants to organizations conducting student-focused, project-based programs and competitions, either in the classroom or extracurricular, in science, technology, engineering, and mathematics subjects such as, but not limited to, robotics, coding, and design-build-test projects, from pre-kindergarten through college level. All of the following apply to the grant funding under this subsection:~~

~~(a) Funding under this subsection is in addition to funding allocated under subsection (3) and shall be used for connecting mathematics and science centers for science, technology, engineering, and mathematics purposes and to support the goals of the Michigan STEM partnership.~~

~~(b) A program receiving funds under section 99h may not receive funds under this subsection.~~

~~(c) In order to receive state funds under this subsection, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this subsection.~~

~~(5) From the funds allocated under subsection (1), there is allocated an amount not to exceed $250,000.00 for 2015-2016 only for grants to districts to support professional development for teachers in a department-approved training program for science, technology, engineering, and mathematics (STEM) instruction. All of the following apply to the grant funding under this subsection:~~

~~(a) Any district may apply for funding under this subsection for 2015-2016 by a date determined by the department. In awarding grants, the department shall give priority, in a form and manner determined by the department, to applicant districts with teachers who have not previously received training in programs funded under this subsection or former section 99b.~~

~~(b) For a training program to be approved by the department for the purposes of this subsection, the program shall meet all of the following criteria:~~

~~(*i*) Utilize an integrative STEM approach to content organization and delivery. The integrative STEM approach shall include content derived from science, technology, engineering, and mathematics.~~

~~(*ii*) Offer evidence that the program outcomes address mathematics, science, and technological literacy standards in an exploratory middle school or high school offering.~~

~~(*iii*) Offer evidence that the program positively influences student career choices along STEM career paths and increases student engagement through peer-reviewed research.~~

~~(*iv*) Present evidence of the periodic updating of the curriculum.~~

~~(*v*) Utilize outcome measures for teacher professional development.~~

~~(*vi*) Provide peer-reviewed evidence that the program is effective with disadvantaged students and those with language barriers.~~

~~(c) The department shall award grants to districts in an amount determined by the department, but not to exceed $3,200.00 per participant.~~

~~(d) A district receiving funds under this subsection shall use the funds only for department-approved training programs under this subsection.~~

**(5)** ~~(6)~~ From the allocations under subsection (1), there is allocated an amount not to exceed ~~$250,000.00 for 2015-2016 only~~ **$250,000.00 FOR 2016-2017** for competitive grants to districts that provide pupils in grades K to 12 with expanded opportunities in science education and skills by participating in events and competitions hosted by Science Olympiad. All of the following apply to the grant funding under this subsection:

(a) A district applying for a grant under this subsection shall submit an application in the form and manner determined by the department not later than November 15, ~~2015.~~ **2016.** The department shall select districts for grants and make notification not later than December 15, ~~2015.~~ **2016.** To be eligible for a grant, a district shall pay at least 25% of the cost of participating in the Science Olympiad program.

(b) The department shall distribute the grant funding allocated under this subsection for the following purposes:

(*i*) Grants to districts of up to $800.00 ~~for~~ **PER** new elementary ~~teams.~~**TEAM.**

(*ii*) Grants to districts of up to $400.00 ~~for~~ **PER** established elementary ~~teams.~~**TEAM.**

(*iii*) Grants to districts of up to $1,600.00 ~~for~~ **PER** new secondary ~~teams.~~**TEAM.**

(*iv*) Grants to districts of up to $800.00 ~~for~~ **PER** established secondary ~~teams.~~**TEAM.**

**(6)** ~~(7)~~ From the general fund allocation under subsection (1), there is allocated an amount not to exceed $250,000.00 for ~~2015-2016 only~~ **2016-2017** for a grant to the Van Andel Education Institute for the purposes of advancing and promoting science education and increasing the number of students who choose to pursue careers in science or science-related fields. Funds allocated under this subsection shall be used to provide professional development for science teachers in using student-driven, inquiry-based instruction.

**SEC. 99T. (1) FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $1,500,000.00 FOR 2016-2017 TO PURCHASE STATEWIDE ACCESS TO AN ONLINE ALGEBRA TOOL THAT MEETS ALL OF THE FOLLOWING:**

**(A) PROVIDES STUDENTS STATEWIDE WITH COMPLETE ACCESS TO VIDEOS ALIGNED WITH STATE STANDARDS INCLUDING STUDY GUIDES AND WORKBOOKS THAT ARE ALIGNED WITH THE VIDEOS.**

**(B) PROVIDES STUDENTS STATEWIDE WITH ACCESS TO A PERSONALIZED ONLINE ALGEBRA LEARNING TOOL INCLUDING ADAPTIVE DIAGNOSTICS.**

**(C) PROVIDES STUDENTS STATEWIDE WITH DYNAMIC ALGEBRA PRACTICE ASSESSMENTS THAT EMULATE THE STATE ASSESSMENT WITH IMMEDIATE FEEDBACK AND HELP SOLVING PROBLEMS.**

**(D) PROVIDES STUDENTS STATEWIDE WITH ONLINE ACCESS TO ALGEBRA HELP 24 HOURS A DAY AND 7 DAYS A WEEK FROM STUDY EXPERTS, TEACHERS, AND PEERS ON A MODERATED SOCIAL NETWORKING PLATFORM.**

**(E) PROVIDES AN ONLINE ALGEBRA PROFESSIONAL DEVELOPMENT NETWORK FOR TEACHERS.**

**(F) IS ALREADY PROVIDED UNDER A STATEWIDE CONTRACT IN AT LEAST 1 OTHER STATE.**

**(2) THE DEPARTMENT SHALL CHOOSE THE ONLINE ALGEBRA TOOL BY OCTOBER 1, 2016.**

Sec. 101. (1) To be eligible to receive state aid under this article, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent shall submit to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall submit to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the superintendent. Not later than the sixth Wednesday after the pupil membership count day and not later than the sixth Wednesday after the supplemental count day, the district shall certify the data in a form and manner prescribed by the center and file the certified data with the intermediate superintendent. If a district fails to submit and certify the attendance data, as required under this subsection, the center shall notify the department and state aid due to be distributed under this article shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If a district does not comply with this subsection by the end of the fiscal year, the district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this article, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to submit the audited data as required under this subsection, state aid due to be distributed under this article shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) Except as otherwise provided in subsections (11) and (12), all of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of pupil instruction. Beginning in 2014-2015, the required minimum number of days of pupil instruction is 175. However, all of the following apply to these requirements:

(*i*) If a collective bargaining agreement that provides a complete school calendar was in effect for employees of a district as of July 1, 2013, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement. If a district entered into a collective bargaining agreement on or after July 1, 2013 and if that collective bargaining agreement did not provide for at least 175 days of pupil instruction beginning in 2014-2015, then the department shall withhold from the district's total state school aid an amount equal to 5% of the funding the district receives in 2014-2015 under sections 22a and 22b.

(*ii*) A district may apply for a waiver under subsection (9) from the requirements of this subdivision.

(b) Beginning in 2016-2017, the required minimum number of days of pupil instruction is 180. If a collective bargaining agreement that provides a complete school calendar was in effect for employees of a district as of the effective date of the

amendatory act that added this subdivision, and if that school calendar is not in compliance with this subdivision, then this subdivision does not apply to that district until after the expiration of that collective bargaining agreement. A district may apply for a waiver under subsection (9) from the requirements of this subdivision.

(c) Except as otherwise provided in this article, a district failing to comply with the required minimum hours and days of pupil instruction under this subsection shall forfeit from its total state aid allocation an amount determined by applying a ratio of the number of hours or days the district was in noncompliance in relation to the required minimum number of hours and days under this subsection. Not later than August 1, the board of each district shall **EITHER** certify to the department **THAT THE DISTRICT WAS IN FULL COMPLIANCE WITH THIS SECTION REGARDING** the number of hours and days of pupil instruction in the previous school year**, OR REPORT TO THE DEPARTMENT, IN A FORM AND MANNER PRESCRIBED BY THE CENTER, EACH INSTANCE OF NONCOMPLIANCE**. If the district did not provide at least the required minimum number of hours and days of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6).

(d) Hours or days lost because of strikes or teachers' conferences shall not be counted as hours or days of pupil instruction.

(e) If a collective bargaining agreement that provides a complete school calendar is in effect for employees of a district as of October 19, 2009, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement.

(f) Except as otherwise provided in subdivisions (g) and (h), a district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage.

(g) If a district adds 1 or more days of pupil instruction to the end of its instructional calendar for a school year to comply with subdivision (a) because the district otherwise would fail to provide the required minimum number of days of pupil instruction even after the operation of subsection (4) due to conditions not within the control of school authorities, then subdivision (f) does not apply for any day of pupil instruction that is added to the end of the instructional calendar. Instead, for any of those days, if the district does not have at least 60% of the district's membership in attendance on that day, the district shall receive state aid in that proportion of 1/180 that the actual percentage of attendance bears to the specified percentage. For any day of pupil instruction added to the instructional calendar as described in this subdivision, the district shall report to the department the percentage of the district's membership that is in attendance, in the form and manner prescribed by the department.

(h) At the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent shall grant a waiver from the requirements of subdivision (f). The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision (f) only if the district does not have at least 50% of the district's membership in attendance on any day of pupil instruction. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements:

(*i*) The district offers the minimum hours of pupil instruction as required under this section.

(*ii*) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.

(*iii*) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil's individual education plan.

(i) All of the following apply to a waiver granted under subdivision (h):

(*i*) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(*ii*) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil participates in the educational program for at least 1,098 hours during a school year, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(*iii*) A waiver that is not a waiver described in subparagraph (*i*) or (*ii*) is valid for 1 fiscal year and must be renewed annually to remain in effect.

(j) The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 6 days or the equivalent number of hours for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, shall be counted as hours and days of pupil instruction. With the approval of the superintendent of public instruction, the department shall count as hours and days of pupil instruction for a fiscal year not more than 3 additional days or the equivalent number of additional hours for which pupil instruction is not provided in a district due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours or days shall not be counted as hours or days of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following have occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this article that is equal to the proportion below the required minimum number of hours and days of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(7) In providing the minimum number of hours and days of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(*i*) The instructor has met all of the requirements established by the United States Department of Defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(*ii*) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) Except as otherwise provided in subsections (11) and (12), the department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent shall waive for a district the minimum number of hours and days of pupil instruction requirement of subsection (3) for a department-approved alternative education program or another innovative program approved by the department, including a 4-day school week. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the number of hours and days of pupil instruction actually provided to the minimum number of hours and days of pupil instruction required under subsection (3). Pupils enrolled in a department-approved alternative education program under this subsection shall be reported to the center in a form and manner determined by the center. All of the following apply to a waiver granted under this subsection:

(a) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(b) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil is on track for course completion at proficiency level, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 1 fiscal year and must be renewed annually to remain in effect.

(10) Until 2014-2015, a district may count up to 38 hours of qualifying professional development for teachers as hours of pupil instruction. However, if a collective bargaining agreement that provides for the counting of up to 38 hours of qualifying professional development for teachers as pupil instruction is in effect for employees of a district as of July 1, 2013, then until the school year that begins after the expiration of that collective bargaining agreement a district may count up to the contractually

specified number of hours of qualifying professional development for teachers as hours of pupil instruction. Professional development provided online is allowable and encouraged, as long as the instruction has been approved by the district. The department shall issue a list of approved online professional development providers, which shall include the Michigan Virtual School. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Integrating technology into classroom instruction.

(e) Maintaining teacher certification.

(11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a.

(12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a dropout recovery program that meets the requirements of section 23a. As used in this subsection, "eligible pupil" means that term as defined in section 23a.

(13) Beginning in 2013, at least every 2 years the superintendent shall review the waiver standards set forth in the pupil accounting and auditing manuals to ensure that the waiver standards and waiver process continue to be appropriate and responsive to changing trends in online learning. The superintendent shall solicit and consider input from stakeholders as part of this review.

Sec. 102d. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $1,500,000.00 for ~~2015-2016~~ **2016-2017** for reimbursements to districts **AND INTERMEDIATE DISTRICTS** for the licensing of school data analytical tools as described under this section. The reimbursement is for districts **AND INTERMEDIATE DISTRICTS** that choose to use a school data analytical tool to assist the district **OR INTERMEDIATE DISTRICT** and that enter into a licensing agreement for a school data analytical tool with 1 of the vendors approved by the department of technology, management, and budget under subsection (2). **FUNDS ALLOCATED UNDER THIS SECTION ARE INTENDED TO PROVIDE DISTRICTS AND INTERMEDIATE DISTRICTS WITH FINANCIAL FORECASTING AND TRANSPARENCY REPORTING TOOLS TO HELP IMPROVE THE FINANCIAL HEALTH OF DISTRICTS AND TO IMPROVE COMMUNICATION WITH THE PUBLIC, RESULTING IN INCREASED FUND BALANCES FOR DISTRICTS AND INTERMEDIATE DISTRICTS.**

(2) Not later than October 15, ~~2015,~~ **2016,** the department of technology, management, and budget shall review vendors for school data analytical tools and provide districts **AND INTERMEDIATE DISTRICTS** with a list of ~~at least 2 and~~ up to ~~4~~ **2** approved vendors that districts **AND INTERMEDIATE DISTRICTS** may use to be eligible for a reimbursement paid under this section. ~~For a vendor to be approved under this section, the department of technology, management, and budget must determine that the~~ **IN ADDITION, A VENDOR APPROVED UNDER THIS SECTION FOR 2015-2016 IS CONSIDERED TO BE APPROVED FOR USE BY A DISTRICT OR INTERMEDIATE DISTRICT AND FOR REIMBURSEMENT FOR 2016-2017. AN APPROVED** school data analytical tool supplied by the vendor ~~meets~~ **MUST MEET** at least all of the following:

(a) Analyzes financial data.

(b) Analyzes academic data.

(c) Provides early warning indicators of financial stress.

(d) Has the capability to provide peer district comparisons of both financial and academic data.

(e) Has the capability to provide financial projections for at least 3 subsequent fiscal years.

(3) Funds allocated under this section shall be paid to districts **AND INTERMEDIATE DISTRICTS** as a reimbursement for already having a licensing agreement or for entering into a licensing agreement not later than December 1, ~~2015~~ **2016** with a vendor approved under subsection (2) to implement a school data analytical tool. **REIMBURSEMENT WILL BE PRORATED FOR THE PORTION OF THE STATE FISCAL YEAR NOT COVERED BY THE LICENSING AGREEMENT. HOWEVER, A LICENSING AGREEMENT THAT TAKES EFFECT AFTER OCTOBER 1, 2016 AND BEFORE DECEMBER 1, 2016 WILL NOT BE PRORATED IF THE TERM OF THE AGREEMENT IS AT LEAST 1 YEAR.** Reimbursement under this section shall be made ~~on an equal per-pupil basis.~~**AS FOLLOWS:**

**(A) ALL DISTRICTS AND INTERMEDIATE DISTRICTS SEEKING REIMBURSEMENT SHALL SUBMIT REQUESTS NOT LATER THAN DECEMBER 1, 2016 INDICATING THE COST PAID FOR THE FINANCIAL DATA ANALYTICAL TOOL.**

**(B) THE DEPARTMENT SHALL DETERMINE THE SUM OF THE FUNDING REQUESTS UNDER SUBDIVISION (A) AND, IF THERE ARE SUFFICIENT FUNDS, SHALL PAY 1/2 OF THE COSTS SUBMITTED UNDER SUBDIVISION (A). IF THERE ARE INSUFFICIENT FUNDS TO PAY 1/2 OF THE COSTS SUBMITTED UNDER (A), THEN REIMBURSEMENT SHALL BE MADE ON AN EQUAL PERCENTAGE BASIS.**

**(C) FUNDS REMAINING AFTER THE CALCULATION AND PAYMENT UNDER SUBDIVISION (B) SHALL BE DISTRIBUTED ON AN EQUAL PER-PUPIL BASIS, WITH AN INTERMEDIATE DISTRICT'S PUPILS CONSIDERED TO BE THE SUM OF THE PUPIL MEMBERSHIPS OF THE CONSTITUENT DISTRICTS FOR WHICH THE INTERMEDIATE DISTRICT IS PURCHASING THE FINANCIAL DATA ANALYTICAL TOOL.**

**(D) THE REIMBURSEMENT TO A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT BE GREATER THAN THE AMOUNT PAID FOR A DATA ANALYTICS APPLICATION.**

**(E) A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT BE REIMBURSED FOR THE PURCHASE OF MORE THAN 1 SOFTWARE APPLICATION.**

(4) Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the department.

Sec. 104. (1) In order to receive state aid under this article, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed ~~$43,994,400.00~~ **$33,894,400.00** for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount estimated at $6,250,000.00, funded from DED-OESE, title VI, state assessment funds, and from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110**, OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95**.

(2) The results of each test administered as part of the Michigan student test of educational progress (M-STEP), including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response. **THE DEPARTMENT SHALL WORK WITH THE CENTER TO IDENTIFY THE NUMBER OF STUDENTS ENROLLED AT THE TIME ASSESSMENTS ARE GIVEN BY EACH DISTRICT. IN CALCULATING THE PERCENTAGE OF PUPILS ASSESSED FOR A DISTRICT'S SCORECARD, THE DEPARTMENT SHALL USE ONLY THE NUMBER OF PUPILS ENROLLED IN THE DISTRICT AT THE TIME THE DISTRICT ADMINISTERS THE ASSESSMENTS AND SHALL EXCLUDE PUPILS WHO ENROLL IN THE DISTRICT AFTER THE DISTRICT ADMINISTERS THE ASSESSMENTS.**

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

**(4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $185,000.00 FOR THE IMPLEMENTATION OF A KINDERGARTEN READINESS ASSESSMENT PILOT PROJECT IN 2016-2017. THE FUNDING WOULD BE ALLOCATED TO AN INTERMEDIATE DISTRICT LOCATED IN A PROSPERITY REGION WITH 2 OR MORE SUBREGIONS TO PARTICIPATE IN THE MARYLAND-OHIO PILOT AND COVER THE COST OF A CONTRACT WITH A UNIVERSITY FOR IMPLEMENTATION OF VERSION 1.75 OF THE KINDERGARTEN READINESS ASSESSMENT TOOL. THE KINDERGARTEN READINESS ASSESSMENT PILOT SHALL ASSESS AN ESTIMATED 4,000 CHILDREN, AND THE DESIGNATED INTERMEDIATE DISTRICT SHALL WORK WITH OTHER INTERMEDIATE DISTRICTS TO IMPLEMENT THE PILOT PROJECT, ENGAGE WITH THE OFFICE OF GREAT START AND THE DEPARTMENT, AND PROVIDE A REPORT TO THE LEGISLATURE ON THE EFFICACY AND USEFULNESS OF A KINDERGARTEN READINESS ASSESSMENT. ALLOWABLE COSTS UNDER THIS PILOT PROGRAM INCLUDE THOSE INCURRED IN AUGUST AND SEPTEMBER 2016.**

**(5) THE DEPARTMENT SHALL CONTINUE TO MAKE THE KINDERGARTEN ENTRY ASSESSMENT DEVELOPED BY THE DEPARTMENT AND FIELD TESTED IN 2015-2016 AVAILABLE TO DISTRICTS IN 2016-2017.**

**(6) THE DEPARTMENT MAY RECOMMEND, BUT MAY NOT REQUIRE, DISTRICTS TO ALLOW PUPILS TO USE AN EXTERNAL KEYBOARD WITH TABLET DEVICES FOR ONLINE M-STEP TESTING, INCLUDING, BUT NOT LIMITED TO, OPEN-ENDED TEST ITEMS SUCH AS CONSTRUCTED RESPONSE OR EQUATION BUILDER ITEMS.**

**(7)** ~~(4)~~ Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

~~(5) From the allocation in subsection (1), there is allocated an amount not to exceed $8,500,000.00 for the following purposes:~~

~~(a) Converting existing student assessments to online assessments.~~

~~(b) Providing paper and pencil test versions to districts not prepared to implement online assessments.~~

~~(c) Expanding writing assessments to additional grade levels.~~

~~(d) Providing an increased number of constructed response test questions so that pupils can demonstrate higher-order skills such as problem solving and communicating reasoning.~~

**(8)** ~~(6)~~ From the allocation in subsection (1), there is allocated an amount not to exceed $3,200,000.00 for the development or selection of an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored. The department and the center shall ensure that any data collected by the online reporting tool do not provide individually identifiable student data to the federal government.

**(9)** ~~(7)~~ From the allocation in subsection (1), there is allocated an amount not to exceed $5,600,000.00 for the purpose of implementing a summative assessment system pursuant to section 104c.

**(10)** ~~(8)~~ As used in this section:

(a) "DED" means the United States Department of Education.

(b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

(c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative Services.

Sec. 104b. (1) In order to receive state aid under this article, a district shall comply with this section and shall administer the Michigan merit examination to pupils in grade 11, and to pupils in grade 12 who did not take the complete Michigan merit examination in grade 11, as provided in this section. The Michigan merit examination consists of a college entrance test, work skills test, and the summative assessment known as the Michigan student test of educational progress (M-STEP).

(2) For the purposes of this section, the department of technology, management, and budget shall contract with 1 or more providers to develop, supply, and score the Michigan merit examination. The Michigan merit examination shall consist of all of the following:

(a) Assessment instruments that measure English language arts, mathematics, reading, and science, and are used by the majority of colleges and universities in this state for entrance purposes. This may include 1 or more writing components. In selecting assessment instruments to fulfill the requirements of this subdivision, the department may consider the degree to which those assessment instruments are aligned to this state's content standards.

(b) One or more tests from 1 or more test developers that assess a pupil's ability to apply at least reading and mathematics skills in a manner that is intended to allow employers to use the results in making employment decisions. The department of technology, management, and budget and the superintendent shall ensure that any test or tests selected under this subdivision have all the components necessary to allow a pupil to be eligible to receive the results of a nationally recognized evaluation of workforce readiness if the pupil's test performance is adequate.

(c) A social studies component.

(d) Any other component that is necessary to obtain the approval of the United States Department of Education to use the Michigan merit examination for the purposes of the no child left behind act of 2001, Public Law 107-110**, OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95**.

(3) In addition to all other requirements of this section, all of the following apply to the Michigan merit examination:

(a) The department of technology, management, and budget and the superintendent shall ensure that any contractor used for scoring the Michigan merit examination supplies an individual report for each pupil that will identify for the pupil's parents and teachers whether the pupil met expectations or failed to meet expectations for each standard, to allow the pupil's parents and teachers to assess and remedy problems before the pupil moves to the next grade.

(b) The department of technology, management, and budget and the superintendent shall ensure that any contractor used for scoring, developing, or processing the Michigan merit examination meets quality management standards commonly used in the assessment industry, including at least meeting level 2 of the capability maturity model developed by the Software Engineering Institute of Carnegie Mellon University for the first year the Michigan merit examination is offered to all grade 11 pupils and at least meeting level 3 of the capability maturity model for subsequent years.

(c) The department of technology, management, and budget and the superintendent shall ensure that any contract for scoring, administering, or developing the Michigan merit examination includes specific deadlines for all steps of the assessment process, including, but not limited to, deadlines for the correct testing materials to be supplied to schools and for the correct results to be returned to schools, and includes penalties for noncompliance with these deadlines.

(d) The superintendent shall ensure that the Michigan merit examination meets all of the following:

(*i*) Is designed to test pupils on this state's content standards in all subjects tested.

(*ii*) Complies with requirements of the no child left behind act of 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95**.

(*iii*) Is consistent with the code of fair testing practices in education prepared by the Joint Committee on Testing Practices of the American Psychological Association.

(*iv*) Is factually accurate. If the superintendent determines that a question is not factually accurate and should be excluded from scoring, the state board and the superintendent shall ensure that the question is excluded from scoring.

(4) A district shall include on each pupil's high school transcript all of the following:

(a) For each high school graduate who has completed the Michigan merit examination under this section, the pupil's scaled score on each subject area component of the Michigan merit examination.

(b) The number of school days the pupil was in attendance at school each school year during high school and the total number of school days in session for each of those school years.

(5) The superintendent shall work with the provider or providers of the Michigan merit examination to produce Michigan merit examination subject area scores for each pupil participating in the Michigan merit examination. To the extent that the department determines that additional test items beyond those included in the college entrance component of the Michigan merit examination are required in a particular subject area, the department shall ensure that all test items in that subject area are scaled and merged for the purposes of producing a Michigan merit examination subject area score. The superintendent shall design and distribute to districts, intermediate districts, and nonpublic schools a simple and concise document that describes the scoring for each subject area and indicates the scaled score ranges for each subject area.

(6) The Michigan merit examination shall be administered in each district during the last 12 weeks of the district's school year. The superintendent shall ensure that the Michigan merit examination is scored and the scores are returned to pupils, their parents or legal guardians, and districts not later than the beginning of the pupil's first semester of grade 12. The returned scores shall indicate at least the pupil's scaled score for each subject area component and the range of scaled scores for each subject area. In reporting the scores to pupils, parents, and schools, the superintendent shall provide standards-specific, meaningful, and timely feedback on the pupil's performance on the Michigan merit examination.

(7) A district shall administer the complete Michigan merit examination to a pupil only once and shall not administer the complete Michigan merit examination to the same pupil more than once. If a pupil does not take the complete Michigan merit examination in grade 11, the district shall administer the complete Michigan merit examination to the pupil in grade 12. If a pupil chooses to retake the college entrance examination component of the Michigan merit examination, as described in subsection (2)(a), the pupil may do so through the provider of the college entrance examination component and the cost of the retake is the responsibility of the pupil unless all of the following are met:

(a) The pupil has taken the complete Michigan merit examination.

(b) The pupil meets the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i.

(c) The pupil has applied to the provider of the college entrance examination component for a scholarship or fee waiver to cover the cost of the retake and that application has been denied.

(d) After taking the complete Michigan merit examination, the pupil has not already received a free retake of the college entrance examination component paid for either by this state or through a scholarship or fee waiver by the provider.

(8) The superintendent shall ensure that the length of the Michigan merit examination and the combined total time necessary to administer all of the components of the Michigan merit examination are the shortest possible that will still maintain the degree of reliability and validity of the Michigan merit examination results determined necessary by the superintendent. The superintendent shall ensure that the maximum total combined length of time that schools are required to set aside for pupils to answer all test questions on the Michigan merit examination does not exceed 8 hours if the superintendent determines that sufficient alignment to applicable Michigan merit curriculum content standards can be achieved within that time limit.

(9) A district shall provide accommodations to a pupil with disabilities for the Michigan merit examination, as provided under section 504 of title V of the rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of 1997, Public Law 105-17; and the implementing regulations for those statutes. The provider or providers of the Michigan merit examination and the superintendent shall mutually agree upon the accommodations to be provided under this subsection.

(10) To the greatest extent possible, the Michigan merit examination shall be based on this state's content standards, as appropriate. Annually, after each administration of the Michigan merit examination, the department shall provide a report of the points per standard so that teachers will know what content will be covered within the Michigan merit examination. The department may augment the college entrance and work skills components of the Michigan merit examination to develop the assessment, depending on the alignment of those components to this state's content standards. If these components do not align to these standards, the department shall produce additional components as required by law, while minimizing the amount of time needed for assessments.

(11) A child who is a student in a nonpublic school or home school may take the Michigan merit examination under this section. To take the Michigan merit examination, a child who is a student in a home school shall contact the district in which the child resides, and that district shall administer the Michigan merit examination, or the child may take the Michigan merit examination at a nonpublic school if allowed by the nonpublic school. Upon request from a nonpublic school, the superintendent shall direct the provider or providers to supply the Michigan merit examination to the nonpublic school and the nonpublic school may administer the Michigan merit examination. If a district administers the Michigan merit examination under this subsection to a child who is not enrolled in the district, the scores for that child are not considered for any purpose to be scores of a pupil of the district.

(12) In contracting under subsection (2), the department of technology, management, and budget shall consider a contractor that provides electronically-scored essays with the ability to score constructed response feedback in multiple languages and provide ongoing instruction and feedback.

(13) The purpose of the Michigan merit examination is to assess pupil performance in mathematics, science, social studies, and English language arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards and promotes pupil participation in higher level mathematics, science, social studies, and English language arts courses. These standards are based upon the expectations of what pupils should learn through high school and are aligned with national standards.

(14) For a pupil enrolled in a middle college program, other than a middle college operated as a shared educational entity or a specialized shared educational entity, if the pupil receives at least 50% of his or her instruction at the high school while in grade 11, the Michigan merit examination shall be administered to the pupil at the high school at which the pupil receives high school instruction, and the department shall include the pupil's scores on the Michigan merit examination in the scores for that high school for all purposes for which a school's or district's results are reported. The department shall allow the middle

college program to use a 5-year graduation rate for determining adequate yearly progress. As used in this subsection, "middle college" means a program consisting of a series of courses and other requirements and conditions, including an early college or other program created under a memorandum of understanding, that allows a pupil to graduate from high school with both a high school diploma and a certificate or degree from a community college or state public university.

(15) As used in this section:

(a) "English language arts" means reading and writing.

(b) "Social studies" means United States history, world history, world geography, economics, and American government.

Sec. 104c. (1) In order to receive state aid under this article, a district shall administer the state assessments described in this section.

(2) For the purposes of this section, the department shall develop for use in the spring of 2015-2016 the Michigan student test of educational progress (M-STEP) assessments in English language arts and mathematics. These assessments shall be aligned to state standards.

(3) For the purposes of this section, the department shall implement a summative assessment system that is proven to be valid and reliable for administration to pupils as provided under this subsection. The summative assessment system shall meet all of the following requirements:

(a) The summative assessment system shall measure student proficiency on the current state standards, shall measure student growth for consecutive grade levels in which students are assessed in the same subject area in both grade levels, and shall be capable of measuring individual student performance.

(b) The summative assessments for English language arts and mathematics shall be administered to all public school pupils in grades 3 to 11, including those pupils as required by the federal individuals with disabilities education act, Public Law 108-446, and by title I of the federal elementary and secondary education act.

(c) The summative assessments for science shall be administered to all public school pupils in at least grades 4 and 7, including those pupils as required by the federal individuals with disabilities education act, Public Law 108-446, and by title I of the federal elementary and secondary education act.

(d) The summative assessments for social studies shall be administered to all public school pupils in at least grades 5 and 8, including those pupils as required by the federal individuals with disabilities education act, Public Law 108-446, and by title I of the federal elementary and secondary education act.

(e) The content of the summative assessments shall be aligned to state standards.

(f) The pool of questions for the summative assessments shall be subject to a transparent review process for quality, bias, and sensitive issues involving educator review and comment. The department shall post samples from tests or retired tests featuring questions from this pool for review by the public.

(g) The summative assessment system shall ensure that students, parents, and teachers are provided with reports that convey individual student proficiency and growth on the assessment and that convey individual student domain-level performance in each subject area, including representative questions, and individual student performance in meeting state standards.

(h) The summative assessment system shall be capable of providing, and the department shall ensure that students, parents, teachers, administrators, and community members are provided with, reports that convey aggregate student proficiency and growth data by teacher, grade, school, and district.

(i) The summative assessment system shall ensure the capability of reporting the available data to support educator evaluations.

(j) The summative assessment system shall ensure that the reports provided to districts containing individual student data are available within 60 days after completion of the assessments.

(k) The summative assessment system shall ensure that access to individually identifiable student data meets all of the following:

(*i*) Is in compliance with 20 USC 1232g, commonly referred to as the family educational rights and privacy act of 1974.

(*ii*) Except as may be provided for in an agreement with a vendor to provide assessment services, as necessary to support educator evaluations pursuant to subdivision (i), or for research or program evaluation purposes, is available only to the student; to the student's parent or legal guardian; and to a school administrator or teacher, to the extent that he or she has a legitimate educational interest.

(*l*) The summative assessment system shall ensure that the assessments are pilot tested before statewide implementation.

(m) The summative assessment system shall ensure that assessments are designed so that the maximum total combined length of time that schools are required to set aside for a pupil to answer all test questions on all assessments that are part of the system for the pupil's grade level does not exceed that maximum total combined length of time for the previous statewide assessment system or 9 hours, whichever is less. This subdivision does not limit the amount of time a district may allow a pupil to complete a test.

(n) The total cost of executing the summative assessment system statewide each year, including, but not limited to, the cost of contracts for administration, scoring, and reporting, shall not exceed an amount equal to 2 times the cost of executing the previous statewide assessment after adjustment for inflation.

(4) Beginning in the 2015-2016 school year, the department shall field test ~~additional components in the assessment system under this subsection~~ **ASSESSMENTS IN THE FALL AND SPRING OF EACH SCHOOL YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN EACH OF GRADES K TO 2** for full implementation in ~~the~~

~~2016-2017~~ **SUBSEQUENT** school ~~year. The additional components~~ **YEARS. THESE ASSESSMENTS** are necessary to determine a pupil's proficiency level before grade 3. ~~The additional components are as follows:~~

~~(a) Assessments administered in the fall and spring of each year to measure English language arts and mathematics in each of grades 1 and 2.~~

~~(b) The kindergarten entry assessment (KEA), to be administered in the fall of the kindergarten year. The KEA shall include the same components as under subdivision (a) and also may include observational components that measure cognitive, social-emotional, and physical skills.~~

(5) This section does not prohibit districts from adopting interim assessments.

(6) As used in this section, "English language arts" means that term as defined in section 104b.

Sec. 104d. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $4,000,000.00 for providing reimbursement to districts that purchase a computer-adaptive test**,** ~~for each pupil enrolled in the district~~ or that purchase 1 or more diagnostic tools, screening tools, or benchmark assessments for pupils in grades K to 3 that are intended to increase reading proficiency by grade 4.

(2) In order to receive reimbursement under this section for the purchase of a computer-adaptive test, the computer-adaptive test must provide for at least all of the following:

(a) Internet-delivered, standards-based assessment using a computer-adaptive model to target the instructional level of each pupil.

(b) Unlimited testing opportunities throughout the ~~2015-2016~~ **2016-2017** school year.

(c) Valid and reliable diagnostic assessment data.

(d) Adjustment of testing difficulty based on previous answers to test questions.

(e) Immediate feedback to pupils and teachers.

(3) In order to receive reimbursement under this section for the purchase of 1 or more diagnostic tools or screening tools for pupils in grades K to 3, each of the tools must meet all of the following:

(a) Be reliable.

(b) Be valid.

(c) Be useful. As used in this subdivision, "useful" means that a tool is easy to administer and requires a short time to complete and that results are linked to intervention.

(4) In order to receive funding under this section for the purchase of 1 or more benchmark assessments for pupils in grades K to 3, each of the benchmark assessments must meet all of the following:

(a) Be aligned to the state standards of this state.

(b) Complement this state's summative assessment system.

(c) Be administered at least once a year before the administration of any summative assessment to monitor pupil progress.

(d) Provide information on pupil achievement with regard to learning the content required in a given year or grade span.

(5) Reimbursement under this section shall be made to eligible districts that purchase a computer-adaptive test or 1 or more diagnostic tools, screening tools, or benchmark assessments described in this section by October 15, ~~2015~~ **2016** and shall be made on an equal per-pupil basis according to the available funding**, BASED ON THE NUMBER OF PUPILS FOR WHOM ASSESSMENTS WERE PURCHASED**.

(6) In order to receive reimbursement under this section, a district shall demonstrate to the satisfaction of the department that each qualifying computer-adaptive test, diagnostic tool, screening tool, or benchmark assessment was purchased by the district by December 1, ~~2015.~~**2016.**

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed $25,000,000.00 for ~~2015-2016~~ **2016-2017** for adult education programs authorized under this section. Except as otherwise provided under subsections ~~(16) and (18),~~ **(14) AND (15),** funds allocated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, an eligible adult education provider shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, an individual shall be enrolled in an adult basic education program, **AN ADULT SECONDARY EDUCATION PROGRAM,** an adult English as a second language program, a high school equivalency test preparation program, ~~a job- or employment-related program,~~ or a high school completion program, that meets the requirements of this section, and for which instruction is provided, and shall meet either of the following**:** ~~, as applicable:~~

~~(a) If the individual has achieved a high school equivalency certificate, the individual meets 1 of the following:~~

~~(*i*) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job- or employment-related program through a referral by an employer or by a Michigan workforce agency.~~

~~(*ii*) Is enrolled in an English as a second language program.~~

~~(*iii*) Is enrolled in a high school completion program.~~

~~(*iv*) Is at least 20 years of age on September 1 of the school year, is enrolled in an adult basic education program, and is determined by a department-approved assessment, in a form and manner prescribed by the department, to be below grade 9 level in reading or mathematics, or both.~~

~~(b) If the individual has not obtained a high school diploma or high school equivalency certificate, the individual meets 1 of the following:~~

~~(*i*) Is at least 20 years of age on September 1 of the school year.~~

~~(*ii*) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.~~

**(A) HAS ATTAINED 20 YEARS OF AGE.**

**(B) HAS ATTAINED 18 YEARS OF AGE AND THE INDIVIDUAL'S GRADUATING CLASS HAS GRADUATED.**

(4) By April 1 of each fiscal year, the intermediate districts within a prosperity region or subregion shall determine which intermediate district will serve as the prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify the department in a form and manner determined by the department. The department shall approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for adult education programs in each of the prosperity regions or subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administration costs for serving as the fiscal agent. Beginning in 2014-2015, 67% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the proportion of total funding formerly received by the adult education providers in that prosperity region or subregion in 2013-2014, and 33% shall be allocated based on the factors in subdivisions (a), (b), and (c). For ~~2016-2017,~~ **2017-2018,** 33% of the allocation provided to each intermediate district serving as a fiscal agent shall be based upon the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the factors in subdivisions (a), (b), and (c). Beginning in ~~2017-2018,~~ **2018-2019,** 100% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the factors in subdivisions (a), (b), and (c). The funding factors for this section are as follows:

(a) Sixty percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals between the ages of 18 and 24 that are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census Bureau.

(b) Thirty-five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 25 or older who are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census Bureau.

(c) Five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 18 or older who lack basic English language proficiency that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census Bureau.

(5) To be an eligible fiscal agent, an intermediate district must agree to do the following in a form and manner determined by the department:

(a) Distribute funds to adult education programs in a prosperity region or subregion as described in this section.

(b) Collaborate with the talent district career council, which is an advisory council of the workforce development boards located in the prosperity region or subregion, or its successor, to develop a regional strategy that aligns adult education programs and services into an efficient and effective delivery system for adult education learners, with special consideration for providing contextualized learning and career pathways **AND ADDRESSING BARRIERS TO EDUCATION AND EMPLOYMENT**.

(c) Collaborate with the talent district career council, which is an advisory council of the workforce development boards located in the prosperity region or subregion, or its successor, to create a local process and criteria that will identify eligible adult education providers to receive funds allocated under this section based on location, demand for services, past performance, quality indicators as identified by the department, and cost to provide instructional services. The fiscal agent shall determine all local processes, criteria, and provider determinations. However, the local processes, criteria, and provider services must be approved by the department before funds may be distributed to the fiscal agent.

(d) Provide oversight to its adult education providers throughout the program year to ensure compliance with the requirements of this section.

(e) Report adult education program and participant data and information as prescribed by the department.

~~(6) The amount allocated under this section per full-time equated participant shall not exceed $2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.~~

**(6)** ~~(7)~~ An adult basic education program**, AN ADULT SECONDARY EDUCATION PROGRAM,** or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by a department-approved assessment, in a form and manner prescribed by the department, to be below ~~ninth~~ **TWELFTH** grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(*i*) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(*ii*) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

**(D) A PARTICIPANT IN AN ADULT SECONDARY EDUCATION PROGRAM IS ELIGIBLE FOR REIMBURSEMENT UNTIL 1 OF THE FOLLOWING OCCURS:**

**(*i*) THE PARTICIPANT'S READING AND MATHEMATICS PROFICIENCY ARE ASSESSED ABOVE THE TWELFTH GRADE LEVEL.**

**(*ii*) THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AFTER HAVING AT LEAST 450 HOURS OF INSTRUCTION.**

**(E)** ~~(d)~~ A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection ~~(11)~~ **(9)** until the participant meets 1 of the following:

(*i*) The participant is assessed as having attained basic English proficiency as determined by a department-approved assessment.

(*ii*) The participant fails to show progress on 2 successive department-approved assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

**(7)** ~~(8)~~ A high school equivalency test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma **OR A HIGH SCHOOL EQUIVALENCY CERTIFICATE**.

(b) The program shall administer a pre-test approved by the department before enrolling an individual to determine the individual's literacy levels, shall administer a high school equivalency practice test to determine the individual's potential for success on the high school equivalency test, and shall administer a post-test upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection ~~(11)~~ **(9)** for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(*i*) The participant achieves a high school equivalency certificate.

(*ii*) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take a high school equivalency test after having completed at least 450 hours of instruction.

**(8)** ~~(9)~~ A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection ~~(11)~~ **(9)** for a participant in a course offered under this subsection until 1 of the following occurs:

(*i*) The participant passes the course and earns a high school diploma.

(*ii*) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

~~(10) A job- or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:~~

~~(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills, and are not attending an institution of higher education.~~

~~(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the department-approved assessment policy.~~

~~(c) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (11) until 1 of the following occurs:~~

~~(*i*) The individual achieves the requisite skills as determined by department-approved assessment instruments.~~

~~(*ii*) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.~~

**(9)** ~~(11)~~ A funding recipient shall receive payments under this section in accordance with **ALL OF** the following:

(a) ~~Eighty percent for enrollment of eligible participants.~~**STATEWIDE ALLOCATION CRITERIA, INCLUDING 3-YEAR AVERAGE ENROLLMENTS, CENSUS DATA, AND LOCAL NEEDS.**

(b) ~~Twenty percent for participant~~ **PARTICIPANT** completion of the adult basic education objectives by achieving an educational gain as determined by the national reporting system levels; for achieving basic English proficiency, as determined by the department; for achieving a high school equivalency certificate or passage of 1 or more individual high school equivalency tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; for enrollment in a postsecondary institution, or for entry into or retention of employment, as applicable.

**(C) PARTICIPANT COMPLETION OF CORE INDICATORS AS IDENTIFIED IN THE INNOVATION AND OPPORTUNITY ACT.**

**(D) ALLOWABLE EXPENDITURES.**

**(10)** ~~(12)~~ A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection ~~(7), (8), (9), or (10)~~ **(6), (7), OR (8)** may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

**(11)** ~~(13)~~ An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

**(12)** ~~(14)~~ A funding recipient shall not commingle money received under this section or from another source for adult education purposes with any other funds and shall establish a separate ledger account for funds received under this section. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

**(13)** ~~(15)~~ A funding recipient receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A funding recipient may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A funding recipient may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States Department of Health and Human Services.

**(14)** ~~(16)~~ In order to receive funds under this section, a funding recipient shall furnish to the department, in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department. In addition, a funding recipient shall agree to pay to a career and technical education program under section 61a the amount of funding received under this section in the proportion of career and technical education coursework used to satisfy adult basic education programming, as billed to the funding recipient by programs operating under section 61a.

~~(17) All intermediate district participant audits of adult education programs shall be performed pursuant to the adult education participant auditing and accounting manuals published by the department.~~

**(15)** ~~(18)~~ From the amount appropriated in subsection (1), an amount not to exceed $500,000.00 shall be allocated for ~~2015-2016~~ **2016-2017** to not more than 1 pilot program that is located in a prosperity region with 2 or more subregions and that connects adult education participants directly with employers by linking adult education, career and technical skills, and workforce development. To be eligible for funding under this subsection, a pilot program shall provide a collaboration linking adult education programs within the county, the area career/technical center, and local employers, and shall meet the additional criteria in subsections ~~(19) and (20).~~ **(16) AND (17).** Funding under this subsection for ~~2015-2016~~ **2016-2017** is for the ~~first~~ **SECOND** of 3 years of funding.

**(16)** ~~(19)~~ A pilot program funded under subsection ~~(18)~~ **(15)** shall require adult education staff to work with Michigan works agency to identify a cohort of participants who are most prepared to successfully enter the workforce. Participants identified under this subsection shall be dually enrolled in adult education programming and at least 1 technical course at the area career/technical center.

**(17)** ~~(20)~~ A pilot program funded under subsection ~~(18)~~ **(15)** shall have on staff an adult education navigator who will serve as a caseworker for each participant identified under subsection ~~(19).~~ **(16).** The navigator shall work with adult education staff and potential employers to design an educational program best suited to the personal and employment needs of the participant, and shall work with human service agencies or other entities to address any barrier in the way of participant access.

**(18)** ~~(21)~~ Not later than December 1, ~~2016,~~ **2017,** the pilot program funded under subsection ~~(18)~~ **(15)** shall provide to the senate and house appropriations subcommittees on school aid and to the senate and house fiscal agencies a report detailing number of participants, graduation rates, and a measure of transitioning to employment.

**(19)** ~~(22)~~ The department shall develop an application process for a pilot program to be funded under subsection ~~(18)~~ **(15)** and shall award funding not later than ~~November 1, 2015.~~ **OCTOBER 1, 2016.** Funding allocated under subsection ~~(18)~~ **(15)** may be paid on a schedule other than that specified under section 17b.

**(20)** ~~(23)~~ The department shall approve at least ~~1~~ **3** high school equivalency ~~test~~ **TESTS** and determine whether a high school equivalency certificate meets the requisite standards for high school equivalency in this state.

**(21)** ~~(24)~~ As used in this section:

(a) "Career pathway" means a combination of rigorous and high-quality education, training, and other services that comply with all of the following:

(*i*) Aligns with the skill needs of industries in the economy of this state or in the regional economy involved.

(*ii*) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the act of August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

(*iii*) Includes counseling to support an individual in achieving the individual's education and career goals.

(*iv*) Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.

(*v*) Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable.

(*vi*) Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least 1 recognized postsecondary credential.

(*vii*) Helps an individual enter or advance within a specific occupation or occupational cluster.

(b) "Department" means the department of talent and economic development.

(c) "Eligible adult education provider" means a district, intermediate district, a consortium of districts, a consortium of intermediate districts, or a consortium of districts and intermediate districts that is identified as part of the local process described in subsection (5)(c) and approved by the department.

~~(d) "Participant" means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).~~

Sec. 147. (1) The allocation for ~~2015-2016~~ **2016-2017** for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the individual projected benefit entry age normal cost method of valuation and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget.

(2) The annual level percentage of payroll contribution rates for the ~~2015-2016~~ **2016-2017** fiscal year, as determined by the retirement system, are estimated as follows:

(a) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~36.31%,~~ **36.64%,** with ~~25.78%~~ **24.94%** paid directly by the employer.

(b) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~35.09%,~~ **36.01%,** with ~~24.56%~~ **24.31%** paid directly by the employer.

(c) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~34.66%,~~ **35.79%,** with ~~24.13%~~ **24.09%** paid directly by the employer.

(d) For public school employees who first worked for a public school reporting unit on or after September 4, 2012, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~31.49%,~~ **32.66%,** with 20.96% paid directly by the employer.

(e) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~31.92%,~~ **32.88%,** with ~~21.39%~~ **21.18%** paid directly by the employer.

(f) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~31.49%,~~ **32.66%,** with 20.96% paid directly by the employer.

(g) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~35.88%,~~ **36.42%,** with ~~25.35%~~ **24.72%** paid directly by the employer.

(3) In addition to the employer payments described in subsection (2), the employer shall pay the applicable contributions to the Tier 2 plan, as determined by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

(4) The contribution rates in subsection (2) reflect an amortization period of ~~23~~ **22** years for ~~2015-2016.~~ **2016-2017.** The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

Sec. 147a. From the appropriation in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $100,000,000.00 for payments to participating districts. A district that receives money under this section shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this section shall be based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this section, "participating district" means a district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed ~~$892,900,000.00~~ **$982,200,000.00** from the state school aid fund for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system. In addition, from the general fund money appropriated in section 11, there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $600,000.00 for payments to district libraries that are participating entities of the Michigan public school employees' retirement system.

(2) For ~~2015-2016,~~ **2016-2017,** the amounts allocated under subsection (1) are estimated to provide an average MPSERS rate cap per pupil amount of ~~$601.00~~ **$660.00** and are estimated to provide a rate cap per pupil for districts ranging between ~~$4.00~~ **$5.00** and ~~$2,300.00.~~**$3,100.00.**

(3) Payments made under this section ~~for 2015-2016~~ shall be equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(4) The amount allocated to each participating entity under this section shall be based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year for the same type of participating entities. A participating entity that receives funds under this section shall use the funds solely for the purpose of retirement contributions as specified in subsection (5).

(5) Each participating entity receiving funds under this section shall forward an amount equal to the amount allocated under subsection (4) to the retirement system in a form, manner, and time frame determined by the retirement system.

(6) Funds allocated under this section should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.

(7) Not later than December 20, ~~2015,~~ **2016,** the department shall publish and post on its website an estimated MPSERS rate cap per pupil for each district.

(8) As used in this section:

(a) "MPSERS rate cap per pupil" means an amount equal to the quotient of the district's payment under this section divided by the district's pupils in membership.

(b) "Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(c) "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(d) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state school aid fund money appropriated in section 11 there is allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed $38,000,500.00 to be used solely for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data to this state.

(2) From the allocation in subsection (1), the department shall make payments to districts and intermediate districts in an equal amount per-pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.

**SEC. 152B. (1) FROM THE GENERAL FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $2,500,000.00 FOR 2016-2017 TO REIMBURSE COSTS INCURRED BY NONPUBLIC SCHOOLS AS IDENTIFIED IN THE NONPUBLIC SCHOOL MANDATE REPORT PUBLISHED BY THE DEPARTMENT ON NOVEMBER 25, 2014 AND UNDER SUBSECTION (2).**

**(2) BY JANUARY 1, 2017, THE DEPARTMENT SHALL PUBLISH A FORM CONTAINING THE REQUIREMENTS IDENTIFIED IN THE REPORT UNDER SUBSECTION (1). THE DEPARTMENT SHALL INCLUDE OTHER REQUIREMENTS ON THE FORM THAT WERE ENACTED INTO LAW AFTER PUBLICATION OF THE REPORT. THE FORM SHALL BE POSTED ON THE DEPARTMENT'S WEBSITE IN ELECTRONIC FORM.**

**(3) BY JUNE 15, 2017, A NONPUBLIC SCHOOL SEEKING REIMBURSEMENT UNDER SUBSECTION (1) OF COSTS INCURRED DURING THE 2016-2017 SCHOOL YEAR SHALL SUBMIT THE FORM DESCRIBED IN SUBSECTION (2) TO THE DEPARTMENT. THIS SECTION DOES NOT REQUIRE A NONPUBLIC SCHOOL TO SUBMIT A FORM DESCRIBED IN SUBSECTION (2). A NONPUBLIC SCHOOL IS NOT ELIGIBLE FOR REIMBURSEMENT UNDER THIS SECTION UNLESS THE NONPUBLIC SCHOOL SUBMITS THE FORM DESCRIBED IN SUBSECTION (2) IN A TIMELY MANNER.**

**(4) BY AUGUST 15, 2017, THE DEPARTMENT SHALL DISTRIBUTE FUNDS TO NONPUBLIC SCHOOLS THAT SUBMIT A COMPLETED FORM DESCRIBED UNDER SUBSECTION (2) IN A TIMELY MANNER. THE SUPERINTENDENT SHALL DETERMINE THE AMOUNT OF FUNDS TO BE PAID TO EACH NONPUBLIC SCHOOL IN AN AMOUNT THAT DOES NOT EXCEED THE NONPUBLIC SCHOOL'S ACTUAL COST TO COMPLY WITH REQUIREMENTS UNDER SUBSECTIONS (1) AND (2). THE SUPERINTENDENT SHALL CALCULATE A NONPUBLIC SCHOOL'S ACTUAL COST IN ACCORDANCE WITH THIS SECTION.**

**(5) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT TO FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE DEPARTMENT SHALL DISTRIBUTE FUNDS UNDER THIS SECTION ON A PRORATED OR OTHER EQUITABLE BASIS AS DETERMINED BY THE SUPERINTENDENT.**

**(6) THE DEPARTMENT HAS THE AUTHORITY TO REVIEW THE RECORDS OF A NONPUBLIC SCHOOL SUBMITTING A FORM DESCRIBED IN SUBSECTION (2) ONLY FOR THE LIMITED PURPOSE OF VERIFYING THE NONPUBLIC SCHOOL'S COMPLIANCE WITH THIS SECTION. IF A NONPUBLIC SCHOOL DOES NOT ALLOW THE DEPARTMENT TO REVIEW RECORDS UNDER THIS SUBSECTION FOR THIS LIMITED PURPOSE, THE NONPUBLIC SCHOOL IS NOT ELIGIBLE FOR REIMBURSEMENT UNDER THIS SECTION.**

**(7) THE FUNDS APPROPRIATED UNDER THIS SECTION ARE FOR PURPOSES RELATED TO EDUCATION, ARE CONSIDERED TO BE INCIDENTAL TO THE OPERATION OF A NONPUBLIC SCHOOL, ARE NONINSTRUCTIONAL IN CHARACTER, AND ARE INTENDED FOR THE PUBLIC PURPOSE OF ENSURING THE HEALTH, SAFETY, AND WELFARE OF THE CHILDREN IN NONPUBLIC SCHOOLS AND TO REIMBURSE NONPUBLIC SCHOOLS FOR COSTS DESCRIBED IN THIS SECTION.**

**(8) FUNDS ALLOCATED UNDER THIS SECTION ARE NOT INTENDED TO AID OR MAINTAIN ANY NONPUBLIC SCHOOL, SUPPORT THE ATTENDANCE OF ANY STUDENT AT A NONPUBLIC SCHOOL, EMPLOY ANY PERSON AT A NONPUBLIC SCHOOL, SUPPORT THE ATTENDANCE OF ANY STUDENT AT ANY LOCATION WHERE INSTRUCTION IS OFFERED TO A NONPUBLIC SCHOOL STUDENT, OR SUPPORT THE EMPLOYMENT OF ANY PERSON AT ANY LOCATION WHERE INSTRUCTION IS OFFERED TO A NONPUBLIC SCHOOL STUDENT.**

**(9) FOR PURPOSES OF THIS SECTION, "ACTUAL COST" MEANS THE HOURLY WAGE FOR THE EMPLOYEE OR EMPLOYEES PERFORMING THE REPORTED TASK OR TASKS AND IS TO BE CALCULATED IN ACCORDANCE WITH THE FORM PUBLISHED BY THE DEPARTMENT UNDER SUBSECTION (2), WHICH SHALL INCLUDE A DETAILED ITEMIZATION OF COST. THE NONPUBLIC SCHOOL SHALL NOT CHARGE MORE THAN THE HOURLY WAGE OF ITS LOWEST-PAID EMPLOYEE CAPABLE OF PERFORMING THE REPORTED TASK REGARDLESS OF WHETHER THAT INDIVIDUAL IS AVAILABLE AND REGARDLESS OF WHO ACTUALLY PERFORMS THE REPORTED TASK. LABOR COSTS UNDER THIS SUBSECTION SHALL BE ESTIMATED AND CHARGED IN INCREMENTS OF 15 MINUTES OR MORE, WITH ALL PARTIAL TIME INCREMENTS ROUNDED DOWN. WHEN CALCULATING COSTS UNDER SUBSECTION (4), FEE COMPONENTS SHALL BE ITEMIZED IN A MANNER THAT EXPRESSES BOTH THE HOURLY WAGE AND THE NUMBER OF HOURS CHARGED. THE NONPUBLIC SCHOOL MAY NOT CHARGE ANY APPLICABLE LABOR CHARGE AMOUNT TO COVER OR PARTIALLY COVER THE COST OF HEALTH OR FRINGE BENEFITS. A NONPUBLIC SCHOOL SHALL NOT CHARGE ANY OVERTIME WAGES IN THE CALCULATION OF LABOR COSTS.**

Sec. 166. **(1)** ~~A district in which a school official, member of a board, or other person dispenses or otherwise distributes a family planning drug or device in a public school in violation of section 1507 of the revised school code, being section 380.1507 of the Michigan Compiled Laws, dispenses prescriptions for any family planning drug, or makes referrals for abortions shall forfeit 5% of its total state aid appropriation.~~ **THE GOVERNING BOARD OF A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AND IMPLEMENT A DISCIPLINARY POLICY AS DESCRIBED IN SUBSECTION (2) TO PROVIDE PENALTIES FOR VIOLATIONS OF SECTION 1507 OF THE REVISED SCHOOL CODE, MCL 380.1507, AND PENALTIES FOR A SCHOOL OFFICIAL, MEMBER OF A GOVERNING BOARD, EMPLOYEE OF THE DISTRICT OR INTERMEDIATE DISTRICT, OR OTHER PERSON WHO REFERS A PUPIL FOR AN ABORTION OR ASSISTS A PUPIL IN OBTAINING AN ABORTION. A DISTRICT OR INTERMEDIATE DISTRICT THAT FAILS TO ADOPT A POLICY REQUIRED UNDER THIS SECTION WITHIN 3 YEARS AFTER THE EFFECTIVE DATE OF THE 2016 AMENDMENTS TO THIS SECTION SHALL FORFEIT FROM ITS TOTAL STATE SCHOOL AID AN AMOUNT EQUAL TO $100,000.00.**

**(2) A DISCIPLINARY POLICY REQUIRED UNDER SUBSECTION (1) SHALL PROVIDE FOR A FINANCIAL PENALTY TO BE APPLIED AGAINST AN INDIVIDUAL EMPLOYED BY THE DISTRICT OR INTERMEDIATE DISTRICT WHO VIOLATES THE POLICY UNDER SUBSECTION (1) THAT IS EQUIVALENT TO NOT LESS THAN 3% OF THAT INDIVIDUAL'S ANNUAL COMPENSATION.**

**(3) A DISTRICT OR INTERMEDIATE DISTRICT THAT APPLIES A FINANCIAL PENALTY AGAINST OR COLLECTS A FINE FROM AN INDIVIDUAL AS PROVIDED UNDER SUBSECTION (2) SHALL REFUND TO THE STATE SCHOOL AID FUND AN AMOUNT OF MONEY EQUAL TO THE AMOUNT OF THE PENALTY OR FINE.**

Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades kindergarten to 12 in a nonpublic school or who is being home-schooled from also enrolling the minor in a district, public school academy, or intermediate district in any curricular offering that is provided by the district, public school academy, or intermediate district at a public school site and is available to pupils in the minor's grade level or age group, subject to compliance with the same requirements that apply to a full-time pupil's participation in the offering. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only for curricular offerings that are offered to full-time pupils in the minor's grade level or age group during regularly scheduled school hours.

(2) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades kindergarten to 12 in a nonpublic school or who resides within the district and is being home-schooled from also enrolling the minor in the district in a

curricular offering being provided by the district at the nonpublic school site. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only if all of the following apply:

(a) Either of the following:

(*i*) The nonpublic school site is located, or the nonpublic students are educated, within the geographic boundaries of the district.

(*ii*) If the nonpublic school has submitted a written request to the district in which the nonpublic school is located for the district to provide certain instruction under this subsection for a school year and the district does not agree to provide some or all of that instruction by May 1 immediately preceding that school year or, if the request is submitted after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request, the instruction is instead provided by an eligible other district. This subparagraph does not require a nonpublic school to submit more than 1 request to the district in which the nonpublic school is located for that district to provide instruction under this subsection, and does not require a nonpublic school to submit an additional request to the district in which the nonpublic school is located for that district to provide additional instruction under this subsection beyond the instruction requested in the original request, before having the instruction provided by an eligible other district. A public school academy that is located in the district in which the nonpublic school is located or in an eligible other district also may provide instruction under this subparagraph under the same conditions as an eligible other district. As used in this subparagraph, "eligible other district" means a district that is located in the same intermediate district as the district in which the nonpublic school is located or is located in an intermediate district that is contiguous to that intermediate district.

(b) The nonpublic school is registered with the department as a nonpublic school and meets all state reporting requirements for nonpublic schools.

(c) The instruction is scheduled to occur during the regular school day.

(d) The instruction is provided directly by a certified teacher at the district or public school academy or at an intermediate district.

(e) The curricular offering is also available to full-time pupils in the minor's grade level or age group in the district or public school academy during the regular school day at a public school site.

(f) The curricular offering is restricted to nonessential elective courses for pupils in grades kindergarten to 12.

(3) A minor enrolled as described in this section is a part-time pupil for purposes of state school aid under this act.

(4) A district that receives a written request to provide instruction under subsection (2) shall reply to the request in writing by May 1 immediately preceding the applicable school year or, if the request is made after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request. The written reply shall specify whether the district agrees to provide or does not agree to provide the instruction for each portion of instruction included in the request.

**(5) THE DEPARTMENT SHALL ESTABLISH A WORKGROUP CONSISTING OF STAFF FROM THE DEPARTMENT, STAFF FROM THE CENTER, PUPIL ACCOUNTING STAFF FROM DISTRICTS AND INTERMEDIATE DISTRICTS, OTHER APPLICABLE STAFF FROM DISTRICTS AND INTERMEDIATE DISTRICTS, REPRESENTATIVES FROM NONPUBLIC SCHOOLS, AND REPRESENTATIVES FROM HOME SCHOOLS TO EXAMINE THE ISSUE OF PROVIDING A UNIFORM DEFINITION OF NONESSENTIAL ELECTIVE COURSES, AND ALSO TO PROVIDE A UNIFORM DEFINITION OF A PART-TIME PUPIL FOR THE PURPOSES OF THIS SECTION.**

**SEC. 167A. A DISTRICT IS ENCOURAGED TO IMPLEMENT A PLAN TO REDUCE PUPIL EXPULSIONS AND SUSPENSIONS THAT EXCEED 10 DAYS. IT IS THE INTENT OF THE LEGISLATURE THAT A DISTRICT THAT HAS NOT IMPLEMENTED A PLAN TO REDUCE PUPIL EXPULSIONS AND SUSPENSIONS THAT EXCEED 10 DAYS WILL BE SUBJECT TO FORFEITURE OF A PORTION OF ITS TOTAL STATE SCHOOL AID.**

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, ~~2016,~~ **2017,** from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~$387,825,600.00.~~ **$395,925,600.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of $0.00, the adjusted gross appropriation is ~~$387,825,600.00.~~**$395,925,600.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(*i*) Total federal revenues, $0.00.

(*ii*) Total local revenues, $0.00.

(*iii*) Total private revenues, $0.00.

(*iv*) Total other state restricted revenues, ~~$256,714,800.00.~~**$260,414,800.00.**

(*v*) State general fund/general purpose money, ~~$131,110,800.00.~~**$135,510,800.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~$311,492,000.00,~~ **$315,892,000.00,** allocated as follows:

(a) The appropriation for Alpena Community College is ~~$5,464,400.00, $5,390,700.00 for operations and $73,700.00 for performance funding.~~**$5,544,700.00, $5,464,400.00 FOR OPERATIONS AND $80,300.00 FOR PERFORMANCE FUNDING.**

(b) The appropriation for Bay de Noc Community College is ~~$5,490,200.00, $5,419,500.00 for operations and $70,700.00 for performance funding.~~**$5,560,900.00, $5,490,200.00 FOR OPERATIONS AND $70,700.00 FOR PERFORMANCE FUNDING.**

(c) The appropriation for Delta College is ~~$14,704,000.00, $14,498,900.00 for operations and $205,100.00 for performance funding.~~**$14,907,700.00, $14,704,000.00 FOR OPERATIONS AND $203,700.00 FOR PERFORMANCE FUNDING.**

(d) The appropriation for Glen Oaks Community College is ~~$2,551,100.00, $2,516,100.00 for operations and $35,000.00 for performance funding.~~**$2,586,900.00, $2,551,100.00 FOR OPERATIONS AND $35,800.00 FOR PERFORMANCE FUNDING.**

(e) The appropriation for Gogebic Community College is ~~$4,509,900.00, $4,451,400.00 for operations and $58,500.00 for performance funding.~~**$4,577,800.00, $4,509,900.00 FOR OPERATIONS AND $67,900.00 FOR PERFORMANCE FUNDING.**

(f) The appropriation for Grand Rapids Community College is ~~$18,187,300.00, $17,947,500.00 for operations and $239,800.00 for performance funding.~~**$18,450,500.00, $18,187,300.00 FOR OPERATIONS AND $263,200.00 FOR PERFORMANCE FUNDING.**

(g) The appropriation for Henry Ford College is ~~$21,893,300.00, $21,623,800.00 for operations and $269,500.00 for performance funding.~~**$22,176,000.00, $21,893,300.00 FOR OPERATIONS AND $282,700.00 FOR PERFORMANCE FUNDING.**

(h) The appropriation for Jackson College is ~~$12,245,300.00, $12,087,300.00 for operations and $158,000.00 for performance funding.~~**$12,397,600.00, $12,245,300.00 FOR OPERATIONS AND $152,300.00 FOR PERFORMANCE FUNDING.**

(i) The appropriation for Kalamazoo Valley Community College is ~~$12,689,400.00, $12,503,100.00 for operations and $186,300.00 for performance funding.~~**$12,873,900.00, $12,689,400.00 FOR OPERATIONS AND $184,500.00 FOR PERFORMANCE FUNDING.**

(j) The appropriation for Kellogg Community College is ~~$9,950,100.00, $9,813,500.00 for operations and $136,600.00 for performance funding.~~**$10,087,500.00, $9,950,100.00 FOR OPERATIONS AND $137,400.00 FOR PERFORMANCE FUNDING.**

(k) The appropriation for Kirtland Community College is ~~$3,221,500.00, $3,167,700.00 for operations and $53,800.00 for performance funding.~~**$3,270,000.00, $3,221,500.00 FOR OPERATIONS AND $48,500.00 FOR PERFORMANCE FUNDING.**

(*l*) The appropriation for Lake Michigan College is ~~$5,417,700.00, $5,342,900.00 for operations and $74,800.00 for performance funding.~~**$5,492,800.00, $5,417,700.00 FOR OPERATIONS AND $75,100.00 FOR PERFORMANCE FUNDING.**

(m) The appropriation for Lansing Community College is ~~$31,288,200.00, $30,877,600.00 for operations and $410,600.00 for performance funding.~~**$31,677,300.00, $31,288,200.00 FOR OPERATIONS AND $389,100.00 FOR PERFORMANCE FUNDING.**

(n) The appropriation for Macomb Community College is ~~$33,239,500.00, $32,816,600.00 for operations and $422,900.00 for performance funding.~~**$33,681,800.00, $33,239,500.00 FOR OPERATIONS AND $442,300.00 FOR PERFORMANCE FUNDING.**

(o) The appropriation for Mid Michigan Community College is ~~$4,757,700.00, $4,682,000.00 for operations and $75,700.00 for performance funding.~~**$4,834,100.00, $4,757,700.00 FOR OPERATIONS AND $76,400.00 FOR PERFORMANCE FUNDING.**

(p) The appropriation for Monroe County Community College is ~~$4,565,600.00, $4,492,900.00 for operations and $72,700.00 for performance funding.~~**$4,636,700.00, $4,565,600.00 FOR OPERATIONS AND $71,100.00 FOR PERFORMANCE FUNDING.**

(q) The appropriation for Montcalm Community College is ~~$3,280,600.00, $3,226,700.00 for operations and $53,900.00 for performance funding.~~**$3,343,100.00, $3,280,600.00 FOR OPERATIONS AND $62,500.00 FOR PERFORMANCE FUNDING.**

(r) The appropriation for C.S. Mott Community College is ~~$15,901,700.00, $15,686,100.00 for operations and $215,600.00 for performance funding.~~**$16,115,500.00, $15,901,700.00 FOR OPERATIONS AND $213,800.00 FOR PERFORMANCE FUNDING.**

(s) The appropriation for Muskegon Community College is ~~$9,020,700.00, $8,901,000.00 for operations and $119,700.00 for performance funding.~~**$9,150,600.00, $9,020,700.00 FOR OPERATIONS AND $129,900.00 FOR PERFORMANCE FUNDING.**

(t) The appropriation for North Central Michigan College is ~~$3,224,800.00, $3,172,400.00 for operations and $52,400.00 for performance funding.~~**$3,290,400.00, $3,224,800.00 FOR OPERATIONS AND $65,600.00 FOR PERFORMANCE FUNDING.**

(u) The appropriation for Northwestern Michigan College is ~~$9,200,500.00, $9,078,800.00 for operations and $121,700.00 for performance funding.~~**$9,318,000.00, $9,200,500.00 FOR OPERATIONS AND $117,500.00 FOR PERFORMANCE FUNDING.**

(v) The appropriation for Oakland Community College is ~~$21,429,400.00, $21,123,300.00 for operations and $306,100.00 for performance funding.~~**$21,770,900.00, $21,429,400.00 FOR OPERATIONS AND $341,500.00 FOR PERFORMANCE FUNDING.**

~~(w) The appropriation for St. Clair County Community College is $7,158,000.00, $7,061,600.00 for operations and $96,400.00 for performance funding.~~

**(W)** ~~(x)~~ The appropriation for Schoolcraft College is ~~$12,706,400.00, $12,513,700.00 for operations and $192,700.00 for performance funding.~~**$12,909,300.00, $12,706,400.00 FOR OPERATIONS AND $202,900.00 FOR PERFORMANCE FUNDING.**

**(X)** ~~(y)~~ The appropriation for Southwestern Michigan College is ~~$6,657,600.00, $6,576,400.00 for operations and $81,200.00 for performance funding.~~**$6,732,500.00, $6,657,600.00 FOR OPERATIONS AND $74,900.00 FOR PERFORMANCE FUNDING.**

**(Y) THE APPROPRIATION FOR ST. CLAIR COUNTY COMMUNITY COLLEGE IS $7,259,300.00, $7,158,000.00 FOR OPERATIONS AND $101,300.00 FOR PERFORMANCE FUNDING.**

(z) The appropriation for Washtenaw Community College is ~~$13,301,100.00, $13,077,300.00 for operations and $223,800.00 for performance funding.~~**$13,534,000.00, $13,301,100.00 FOR OPERATIONS AND $232,900.00 FOR PERFORMANCE FUNDING.**

(aa) The appropriation for Wayne County Community College is ~~$16,989,800.00, $16,727,600.00 for operations and $262,200.00 for performance funding.~~**$17,234,200.00, $16,989,800.00 FOR OPERATIONS AND $244,400.00 FOR PERFORMANCE FUNDING.**

(bb) The appropriation for West Shore Community College is ~~$2,446,200.00, $2,414,900.00 for operations and $31,300.00 for performance funding.~~**$2,478,000.00, $2,446,200.00 FOR OPERATIONS AND $31,800.00 FOR PERFORMANCE FUNDING.**

(3) The amount appropriated in subsection (2) for community college operations is appropriated from the following:

(a) State school aid fund, ~~$236,181,200.00.~~**$185,481,200.00.**

(b) State general fund/general purpose money, ~~$75,310,800.00.~~**$130,410,800.00.**

(4) From the appropriations described in subsection (1), subject to section 207a, the amount appropriated for fiscal year ~~2015-2016~~ **2016-2017** to offset certain fiscal year ~~2015-2016~~ **2016-2017** retirement contributions is $1,733,600.00, appropriated from the state school aid fund.

(5) From the appropriations described in subsection (1), subject to section 207b, the amount appropriated for payments to community colleges that are participating entities of the retirement system is ~~$69,500,000.00, $17,200,000.00~~ **$73,200,000.00,** appropriated from the state school aid fund**.** ~~, and $52,300,000.00 appropriated from general fund/general purpose money.~~

(6) From the appropriations described in subsection (1), subject to section 207c, the amount appropriated for renaissance zone tax reimbursements is $5,100,000.00, ~~$1,600,000.00 appropriated from the state school aid fund, and $3,500,000.00~~ appropriated from general fund/general purpose money.

Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2017~~ **2018** for the items listed in section 201. The fiscal year ~~2016-2017~~ **2017-2018** appropriations are anticipated to be the same as those for fiscal year ~~2015-2016,~~ **2016-2017,** except that the amounts will be adjusted for changes in retirement costs, caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January ~~2016~~ **2017** consensus revenue estimating conference.

Sec. 202a. As used in this article:

**(A) "CENTER" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION CREATED IN SECTION 94A.**

**(B)** ~~(a)~~ "Michigan renaissance zone act" means the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

**(C)** ~~(b)~~ "Participating college" means a community college that is a reporting unit of the retirement system and that reports employees to the retirement system for the state fiscal year.

**(D)** ~~(c)~~ "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

**(E)** ~~(d)~~ "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

**(F)** ~~(e)~~ "Workforce development agency" means the workforce development agency ~~of the Michigan strategic fund.~~**WITHIN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT--TALENT INVESTMENT AGENCY.**

Sec. 203. Unless otherwise specified, a community college that receives appropriations in section 201**,** ~~and~~ the workforce development agency**, AND THE CENTER** shall use the ~~internet~~ **INTERNET** to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an ~~internet~~ **INTERNET** or intranet site.

Sec. 206. The funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, ~~2016~~ **2017** and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2015.~~ **2016.** Each community college shall accrue its July and August ~~2016~~ **2017** payments to its institutional fiscal year ending

June 30, ~~2016.~~ **2017.** However, if the state budget director determines that a community college failed to submit all verified Michigan community colleges activities classification structure data for school year ~~2014-2015~~ **2015-2016** to the ~~workforce development agency~~ **CENTER** by November 1, ~~2015,~~ **2016,** or failed to submit its longitudinal data system data set for school year ~~2014-2015~~ **2015-2016** to the center ~~for educational performance and information~~ under section 219, the state treasurer shall withhold the monthly installments from that community college until those data are submitted. The state budget director shall notify the chairs of the house and senate appropriations subcommittees on community colleges at least 10 days before withholding funds from any community college.

Sec. 207. (1) A community college shall pay the employer's contributions to the Michigan public school employees' retirement system created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to ~~38.1408.~~ **38.1437.** This payment is a condition of receiving funds appropriated under this article.

(2) A community college shall not pay an employer's contribution to more than 1 retirement fund providing benefits for an employee.

Sec. 207a. All of the following apply to the allocation of the fiscal year ~~2015-2016~~ **2016-2017** appropriations described in section 201(4):

(a) A community college that receives money under section 201(4) shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the college for that fiscal year.

(b) The amount allocated to each participating community college under section 201(4) shall be based on each college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year.

Sec. 207b. All of the following apply to the allocation of the fiscal year ~~2015-2016~~ **2016-2017** appropriations described in section 201(5) for payments to community colleges that are participating entities of the retirement system:

(a) The amount of a payment under section 201(5) shall be the difference between the unfunded actuarial accrued liability contribution rate as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(b) The amount allocated to each community college under section 201(5) shall be based on each community college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year. A community college that receives funds under this subdivision shall use the funds solely for the purpose of retirement contributions under section 201(5).

(c) Each participating college that receives funds under section 201(5) shall forward an amount equal to the amount allocated under subdivision (b) to the retirement system in a form and manner determined by the retirement system.

Sec. 207c. All of the following apply to the allocation of the appropriations described in section 201(6) to community colleges described in section 12(3) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

(a) The amount allocated to each community college under section 201(6) for fiscal year ~~2015-2016~~ **2016-2017** shall be based on that community college's proportion of total revenue lost by community colleges as a result of the exemption of property taxes levied in ~~2015~~ **2016** under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(b) The appropriations described in section 201(6) shall be made to each eligible community college within 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts payable to each eligible community college under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

Sec. 209. (1) Within 30 days after the board of a community college adopts its annual operating budget for the following fiscal year, or after the board adopts a subsequent revision to that budget, the community college shall make all of the following available through a link on its website homepage:

(a) The annual operating budget and subsequent budget revisions.

(b) A link to the most recent "Activities Classification Structure Data Book and Companion".

(c) General fund revenue and expenditure projections for fiscal year ~~2015-2016~~ **2016-2017** and fiscal year ~~2016-2017.~~ **2017-2018.**

(d) A listing of all debt service obligations, detailed by project, anticipated fiscal year ~~2015-2016~~ **2016-2017** payment of each project, and total outstanding debt.

(e) The estimated cost to the community college resulting from the patient protection and affordable care act, Public Law 111-148, as amended by the health care and education reconciliation act of 2010, Public Law 111-152.

(f) Links to all of the following for the community college:

(*i*) The current collective bargaining agreement for each bargaining unit.

(*ii*) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee of the community college.

(*iii*) Audits and financial reports for the most recent fiscal year for which they are available.

(*iv*) A copy of the board of trustees resolution regarding compliance with best practices for the local strategic value component described in section 230(2).

(2) For statewide consistency and public visibility, community colleges must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each community college's homepage. The size of the icon may be reduced to 150 x 150 pixels.

(3) The state budget director shall determine whether a community college has complied with this section. The state budget director may withhold a community college's monthly installments described in section 206 until the community college complies with this section. The state budget director shall notify the chairs of the house and senate appropriations subcommittee on community colleges at least 10 days before withholding funds from any community college.

(4) Each community college shall report the following information to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office by November 15 of each fiscal year and post that information on its website as required under subsection (1):

(a) Budgeted fiscal year ~~2015-2016~~ **2016-2017** general fund revenue from tuition and fees.

(b) Budgeted fiscal year ~~2015-2016~~ **2016-2017** general fund revenue from state appropriations.

(c) Budgeted fiscal year ~~2015-2016~~ **2016-2017** general fund revenue from property taxes.

(d) Budgeted fiscal year ~~2015-2016~~ **2016-2017** total general fund revenue.

(e) Budgeted fiscal year ~~2015-2016~~ **2016-2017** total general fund expenditures.

(5) By November 15 of each year, a community college shall report the following information to the center ~~for educational performance and information~~ and post the information on its website under the budget transparency icon badge:

(a) Opportunities for earning college credit through the following programs:

(*i*) State approved career and technical education or a tech prep articulated program of study.

(*ii*) Direct college credit or concurrent enrollment.

(*iii*) Dual enrollment.

(*iv*) An early college/middle college program.

(b) For each program described in subdivision (a) that the community college offers, all of the following information:

(*i*) The number of high school students participating in the program.

(*ii*) The number of school districts that participate in the program with the community college.

(*iii*) Whether a college professor, qualified local school district employee, or other individual teaches the course or courses in the program.

(*iv*) The total cost to the community college to operate the program.

(*v*) The cost per credit hour for the course or courses in the program.

(*vi*) The location where the course or courses in the program are held.

(*vii*) Instructional resources offered to the program instructors.

(*viii*) Resources offered to the student in the program.

(*ix*) Transportation services provided to students in the program.

Sec. 210b. ~~(1) It is the intent of the legislature that the Michigan Association of Collegiate Registrars and Admissions Officers implement any agreement or agreements among the community colleges and universities concerning the transferability of college courses resulting from the recommendations of the committee created under former section 210a.~~

~~(2) It is the intent of the legislature that the Michigan Association of Collegiate Registrars and Admissions Officers, the Michigan Community College Association, and the Presidents Council, State Universities of Michigan shall together submit an implementation update report to the senate and house appropriations subcommittees on community colleges and higher education, the senate and house fiscal agencies, and the state budget director by March 1, 2016.~~**BY MARCH 1, 2017, THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES SHALL SUBMIT A REPORT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR THAT INCLUDES ALL OF THE FOLLOWING:**

**(A) A PROGRESS REPORT ON THE IMPLEMENTATION OF THE MICHIGAN TRANSFER AGREEMENT DEVELOPED BY THE STUDY COMMITTEE CREATED UNDER FORMER SECTION 210A, INCLUDING AN UPDATE ON PROGRESS MADE ON OUTSTANDING CONCERNS IDENTIFIED IN THE MARCH 1, 2016 IMPLEMENTATION UPDATE.**

**(B) A REPORT ON IMPROVEMENTS TO ARTICULATION AND CREDIT TRANSFER POLICIES AMONG AND BETWEEN ALL SECTORS OF POSTSECONDARY EDUCATION IN THIS STATE. THE REPORT SHALL IDENTIFY AREAS OF PROGRESS SINCE THE MARCH 1, 2016 REPORT REQUIRED BY FORMER SECTION 210C, INCLUDING ALL OF THE FOLLOWING:**

**(*i*) IDENTIFYING EFFECTIVE POLICIES AND PRACTICES DEVELOPED BY OTHER STATES.**

**(*ii*) DEVELOPING SPECIFIC PATHWAYS, WHERE ADVISABLE, THAT MEET PROGRAM REQUIREMENTS FOR BOTH ASSOCIATE'S AND BACHELOR'S DEGREE PROGRAMS.**

**(*iii*) CREATING AN ENHANCED ONLINE COMMUNICATION TOOL TO SHARE INFORMATION ABOUT POSTSECONDARY OPTIONS IN MICHIGAN, PARTICULARLY CLEARLY ARTICULATING TRANSFER PATHWAYS.**

**(*iv*) ESTABLISHING CLEAR TIMELINES FOR FINALIZING TRANSFER PATHWAYS.**

**SEC. 210E. BY FEBRUARY 1, 2017, THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND THE MICHIGAN INDEPENDENT COLLEGES AND UNIVERSITIES, ON BEHALF OF THEIR MEMBER COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR A COMPREHENSIVE REPORT DETAILING THE NUMBER OF ACADEMIC PROGRAM PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING INFORMATION:**

**(A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE CAMPUSES.**

**(B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.**

**(C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1, 2015 THROUGH JUNE 30, 2016.**

Sec. 212. ~~It is the intent of the legislature to encourage community~~ **COMMUNITY** college districts **ARE ENCOURAGED** to evaluate and pursue efficiency and cost-containment measures that maximize state funding. Community colleges shall identify practices that increase efficiencies, including, but not limited to, establishing joint ventures, consolidating services, utilizing program collaborations, maximizing educational benefits through optimal class sizes and frequency of course offerings, increasing web-based instruction, eliminating low-enrollment and high-cost instructional programs, using self-insurance, practicing energy conservation, and utilizing group purchasing. Community colleges shall also review proposed capital outlay projects to increase coordination and utilization of new facilities, renovation projects, and technology improvements.

Sec. 217. (1) The ~~workforce development agency~~ **CENTER** shall do all of the following:

(a) Establish, maintain, and coordinate the state community college database commonly known as the "activities classification structure" or "ACS" database.

(b) Collect data concerning community colleges and community college programs in this state, including data required by law.

(c) Establish procedures to ensure the validity and reliability of the data and the collection process.

(d) Develop model data collection policies, including, but not limited to, policies that ensure the privacy of any individual student data. Privacy policies shall ensure that student social security numbers are not released to the public for any purpose.

(e) Provide data in a useful manner to allow state policymakers and community college officials to make informed policy decisions.

(f) Assist community colleges in complying with audits under this section or federal law.

(2) There is created within the ~~workforce development agency~~ **CENTER** the activities classification structure advisory committee. The committee shall provide advice to the director of the ~~workforce development agency~~ **CENTER** regarding the management of the state community college database, including, but not limited to:

(a) Determining what data are necessary to collect and maintain to enable state and community college officials to make informed policy decisions.

(b) Defining the roles of all stakeholders in the data collection system.

(c) Recommending timelines for the implementation and ongoing collection of data.

(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.

(e) Establishing and maintaining a process for ensuring the accuracy of the data.

(f) Establishing and maintaining policies related to data collection, including, but not limited to, privacy policies related to individual student data.

(g) Ensuring that the data are made available to state policymakers and citizens of this state in the most useful format possible.

(h) Addressing other matters as determined by the director ~~of the workforce development agency~~ **CENTER** or as required by law.

(3) The activities classification structure advisory committee created in subsection (2) shall consist of the following members:

(a) One representative from the house fiscal agency, appointed by the director of the house fiscal agency.

(b) One representative from the senate fiscal agency, appointed by the director of the senate fiscal agency.

(c) One representative from the workforce development agency, appointed by the director of the workforce development agency.

**(D) ONE REPRESENTATIVE FROM THE CENTER APPOINTED BY THE DIRECTOR OF THE CENTER.**

**(E)** ~~(d)~~ One representative from the state budget office, appointed by the state budget director.

**(F)** ~~(e)~~ One representative from the governor's policy office, appointed by that office.

**(G)** ~~(f)~~ Four representatives of the Michigan Community College Association, appointed by the president of the association. From the groupings of community colleges given in table 17 of the activities classification structure database described in subsection (1), the association shall appoint 1 representative each from group 1, group 2, and group 3, and 1 representative from either group 3 or 4.

Sec. 219. By ~~June 30~~ **OCTOBER 15** of each year, each community college shall provide its longitudinal data system data set for the preceding academic year to the center ~~for educational performance and information~~ for inclusion in the statewide P-20 education longitudinal data system described in section 94a.

Sec. 220. (1) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

(2) Within 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, ~~the workforce development agency,~~ the auditor general, and the state budget director a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

Sec. 222. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the workforce development agency, **THE CENTER,** and the state budget director before November 15 of each year. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges". A community college shall make the information the community college is required to provide under this section available to the public on its website.

Sec. 223. ~~Each community college shall report the following to the workforce development agency no later than November 1 of each year:~~

~~(a) The number of North American Indian students enrolled each term for the previous fiscal year, using guidelines and procedures developed by the workforce development agency and the department of civil rights.~~

~~(b) The number of North American Indian tuition waivers granted each term, and the monetary value of the waivers for the previous fiscal year.~~

**(1) BY FEBRUARY 15 OF EACH YEAR, THE DEPARTMENT OF CIVIL RIGHTS SHALL ANNUALLY SUBMIT TO THE STATE BUDGET DIRECTOR, THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, AND THE HOUSE AND SENATE FISCAL AGENCIES A REPORT ON NORTH AMERICAN INDIAN TUITION WAIVERS FOR THE PRECEDING FISCAL YEAR THAT INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING INFORMATION:**

**(A) THE NUMBER OF WAIVER APPLICATIONS RECEIVED AND THE NUMBER OF WAIVER APPLICATIONS APPROVED.**

**(B) FOR EACH COMMUNITY COLLEGE SUBMITTING INFORMATION UNDER SUBSECTION (2), ALL OF THE FOLLOWING:**

**(*i*) THE NUMBER OF NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH TERM FOR THE PREVIOUS FISCAL YEAR.**

**(*ii*) THE NUMBER OF NORTH AMERICAN INDIAN WAIVERS GRANTED EACH TERM AND THE MONETARY VALUE OF THE WAIVERS FOR THE PREVIOUS FISCAL YEAR.**

**(*iii*) THE NUMBER OF STUDENTS ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER WHO WITHDREW FROM THE COLLEGE DURING THE PREVIOUS FISCAL YEAR.**

**(*iv*) THE NUMBER OF STUDENTS ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER WHO SUCCESSFULLY COMPLETE A DEGREE OR CERTIFICATE PROGRAM, SEPARATED BY DEGREE OR CERTIFICATE LEVEL, AND THE GRADUATION RATE FOR STUDENTS ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER WHO COMPLETE A DEGREE WITHIN 150% OF THE NORMAL TIME TO COMPLETE, SEPARATED BY THE LEVEL OF THE DEGREE.**

**(2) A COMMUNITY COLLEGE THAT RECEIVES FUNDS UNDER SECTION 201 SHALL PROVIDE TO THE DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION NECESSARY FOR PREPARING THE REPORT DESCRIBED IN SUBSECTION (1), USING GUIDELINES AND PROCEDURES DEVELOPED BY THE DEPARTMENT OF CIVIL RIGHTS.**

**(3) THE DEPARTMENT OF CIVIL RIGHTS MAY CONSOLIDATE THE REPORT REQUIRED UNDER THIS SECTION WITH THE REPORT REQUIRED UNDER SECTION 268, BUT A CONSOLIDATED REPORT MUST SEPARATELY IDENTIFY DATA FOR UNIVERSITIES AND DATA FOR COMMUNITY COLLEGES.**

Sec. 224. A community college shall use the P-20 longitudinal data system to inform interested Michigan high schools and the public of the aggregate academic status of its students for the previous academic year, in a manner prescribed by the Michigan ~~community college association~~ **COMMUNITY COLLEGE ASSOCIATION** and in cooperation with the Michigan ~~association of secondary school principals.~~ **ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS.** Community colleges shall cooperate with the center ~~for educational performance and information~~ to maintain a systematic approach for accomplishing this work.

Sec. 225. Each community college shall report to the house and senate fiscal agencies, the state budget director, and the ~~workforce development agency~~ **CENTER** by August 31, ~~2015,~~ **2016,** the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the ~~2015-2016~~ **2016-2017** academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported ~~2015-2016~~ **2016-2017** academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the ~~workforce development agency~~ **CENTER** within 15 days of being adopted.

Sec. 226. Each community college shall report to the ~~workforce development agency~~ **CENTER** the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15 of each year. Community colleges shall work with the ~~workforce development agency and the~~ center ~~for educational performance and information~~ to develop a systematic approach for meeting this requirement.

Sec. 229a. Included in the fiscal year ~~2015-2016~~ **2016-2017** appropriations for the department of technology, management, and budget are appropriations totaling ~~$29,479,600.00~~ **$30,879,600.00** to provide funding for the state share of costs for previously constructed capital projects for community colleges. Those appropriations for state building authority rent represent additional state general fund support for community colleges, and the following is an estimate of the amount of that support to each community college:

(a) Alpena Community College, ~~$652,700.00.~~**$632,500.00.**
(b) Bay de Noc Community College, ~~$685,900.00.~~**$685,100.00.**
(c) Delta College, ~~$3,510,900.00.~~**$3,360,600.00.**
(d) Glen Oaks Community College, ~~$123,100.00.~~**$124,500.00.**
(e) Gogebic Community College, ~~$67,600.00.~~**$56,700.00.**
(f) Grand Rapids Community College, ~~$2,126,000.00.~~**$2,083,500.00.**
(g) Henry Ford College, ~~$1,028,500.00.~~**$1,040,300.00.**
(h) Jackson College, ~~$1,677,800.00.~~**$2,273,800.00.**
(i) Kalamazoo Valley Community College, ~~$1,557,700.00.~~**$2,030,900.00.**
(j) Kellogg Community College, ~~$520,200.00.~~**$526,200.00.**
(k) Kirtland Community College, ~~$363,200.00.~~**$367,300.00.**
(*l*) Lake Michigan College, ~~$340,200.00.~~**$344,100.00.**
(m) Lansing Community College, ~~$1,282,200.00.~~**$1,154,600.00.**
(n) Macomb Community College, ~~$1,377,400.00.~~**$1,715,700.00.**
(o) Mid Michigan Community College, ~~$1,712,600.00.~~**$1,634,300.00.**
(p) Monroe County Community College, ~~$1,263,600.00.~~**$1,278,100.00.**
(q) Montcalm Community College, ~~$971,500.00.~~**$982,600.00.**
(r) C.S. Mott Community College, ~~$1,803,900.00.~~**$1,497,600.00.**
(s) Muskegon Community College, ~~$267,800.00.~~**$623,500.00.**
(t) North Central Michigan College, ~~$469,400.00.~~**$417,900.00.**
(u) Northwestern Michigan College, ~~$1,305,600.00.~~**$1,320,600.00.**
(v) Oakland Community College, ~~$465,200.00.~~**$470,500.00.**
~~(w) St. Clair County Community College, $356,200.00.~~
**(W)** ~~(x)~~ Schoolcraft College, ~~$1,546,700.00.~~**$1,564,400.00.**
**(X)** ~~(y)~~ Southwestern Michigan College, ~~$286,900.00.~~**$574,800.00.**
**(Y) ST. CLAIR COUNTY COMMUNITY COLLEGE, $360,200.00.**
(z) Washtenaw Community College, ~~$1,676,800.00.~~**$1,696,000.00.**
(aa) Wayne County Community College, ~~$1,462,700.00.~~**$1,479,400.00.**
(bb) West Shore Community College, ~~$577,300.00.~~**$583,900.00.**

Sec. 230. (1) Money included in the appropriations for community college operations under section 201(2) in fiscal year ~~2015-2016~~ **2016-2017** for performance funding is distributed based on the following formula:

(a) Allocated proportionate to fiscal year ~~2014-2015~~ **2015-2016** base appropriations, ~~50%.~~**30%.**

(b) Based on ~~contact hour equated students, 10%.~~**A WEIGHTED STUDENT CONTACT HOUR FORMULA AS PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK FORCE, 30%.**

(c) Based on ~~administrative costs, 7.5%.~~**THE PERFORMANCE IMPROVEMENT AS PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK FORCE, 10%.**

(d) Based on ~~a weighted degree formula as provided for in the 2006 recommendations of the performance indicators task force, 17.5%.~~**THE PERFORMANCE COMPLETION NUMBER AS PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK FORCE, 10%.**

(e) Based on ~~the local strategic value component, as developed in cooperation with the Michigan Community College Association and described in subsection (2), 15%.~~**THE PERFORMANCE COMPLETION RATE AS PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK FORCE, 10%.**

**(F) BASED ON ADMINISTRATIVE COSTS, 5%.**

**(G) BASED ON THE LOCAL STRATEGIC VALUE COMPONENT, AS DEVELOPED IN COOPERATION WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND DESCRIBED IN SUBSECTION (2), 5%.**

(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or before October 15, ~~2015,~~ **2016,** that the college has met 4 out of 5 best practices listed in each category described in subsection (3). The resolution shall provide specifics as to how the community college meets each best practice measure within each category. One-third of funding available under the strategic value component shall be allocated to each category described in subsection (3). Amounts distributed under local strategic value shall be on a proportionate basis to each college's fiscal year ~~2014-2015~~ **2015-2016** operations funding. Payments to community colleges that qualify for local strategic value funding shall be distributed with the November installment payment described in section 206.

(3) For purposes of subsection (2), the following categories of best practices reflect functional activities of community colleges that have strategic value to the local communities and regional economies:

(a) For Category A, economic development and business or industry partnerships, the following:

(*i*) The community college has active partnerships with local employers including hospitals and health care providers.

(*ii*) The community college provides customized on-site training for area companies, employees, or both.

(*iii*) The community college supports entrepreneurship through a small business assistance center or other training or consulting activities targeted toward small businesses.

(*iv*) The community college supports technological advancement through industry partnerships, incubation activities, or operation of a Michigan technical education center or other advanced technology center.

(*v*) The community college has active partnerships with local or regional workforce and economic development agencies.

(b) For Category B, educational partnerships, the following:

(*i*) The community college has active partnerships with regional high schools, intermediate school districts, and career-tech centers to provide instruction through dual enrollment, concurrent enrollment, direct credit, middle college, or academy programs.

(*ii*) The community college hosts, sponsors, or participates in enrichment programs for area K-12 students, such as college days, summer or after-school programming, or ~~science~~ **SCIENCE** Olympiad.

(*iii*) The community college provides, supports, or participates in programming to promote successful transitions to college for traditional age students, including grant programs such as talent search, upward bound, or other activities to promote college readiness in area high schools and community centers.

(*iv*) The community college provides, supports, or participates in programming to promote successful transitions to college for new or reentering adult students, such as adult basic education, a high school equivalency test preparation program and testing, or recruiting, advising, or orientation activities specific to adults. As used in this subparagraph, "high school equivalency test preparation program" means that term as defined in section 4.

(*v*) The community college has active partnerships with regional 4-year colleges and universities to promote successful transfer, such as articulation, 2+2, or reverse transfer agreements or operation of a university center.

(c) For Category C, community services, the following:

(*i*) The community college provides continuing education programming for leisure, wellness, personal enrichment, or professional development.

(*ii*) The community college operates or sponsors opportunities for community members to engage in activities that promote leisure, wellness, cultural or personal enrichment such as community sports teams, theater or musical ensembles, or artist guilds.

(*iii*) The community college operates public facilities to promote cultural, educational, or personal enrichment for community members, such as libraries, computer labs, performing arts centers, museums, art galleries, or television or radio stations.

(*iv*) The community college operates public facilities to promote leisure or wellness activities for community members, including gymnasiums, athletic fields, tennis courts, fitness centers, hiking or biking trails, or natural areas.

(*v*) The community college promotes, sponsors, or hosts community service activities for students, staff, or community members.

(4) Payments for performance funding under section 201(2) shall be made to a community college only if that community college actively participates in the Michigan ~~transfer network~~ **TRANSFER NETWORK** sponsored by the Michigan Association of Collegiate Registrars and Admissions Officers and submits timely updates, including updated course equivalencies at least every 6 months, to the Michigan transfer network. The state budget director shall determine if a community college has not satisfied this requirement. The state budget director may withhold payments for performance funding until a community college is in compliance with this section.

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, ~~2016,~~ **2017,** from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~$1,534,724,400.00.~~ **$1,582,640,400.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of $0.00, the adjusted gross appropriation is ~~$1,534,724,400.00.~~**$1,582,640,400.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(*i*) Total federal revenues, ~~$97,026,400.00.~~**$101,526,400.00.**

(*ii*) Total local revenues, $0.00.

(*iii*) Total private revenues, $0.00.

(*iv*) Total other state restricted revenues, ~~$205,279,500.00.~~**$237,209,500.00.**

(*v*) State general fund/general purpose money, ~~$1,232,418,500.00.~~**$1,243,904,500.00.**

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is ~~$80,904,400.00, $79,164,800.00 for operations and $1,739,600.00 for performance funding.~~**$83,925,500.00, $81,127,100.00 FOR OPERATIONS AND $2,798,400.00 FOR PERFORMANCE FUNDING.**

(b) The appropriation for Eastern Michigan University is ~~$72,835,300.00, $71,782,500.00 for operations and $1,052,800.00 for performance funding.~~**$73,593,800.00, $71,782,500.00 FOR OPERATIONS AND $1,811,300.00 FOR PERFORMANCE FUNDING.**

(c) The appropriation for Ferris State University is ~~$50,227,800.00, $49,119,100.00 for operations and $1,108,700.00 for performance funding.~~**$52,259,900.00, $50,369,800.00 FOR OPERATIONS AND $1,890,100.00 FOR PERFORMANCE FUNDING.**

(d) The appropriation for Grand Valley State University is ~~$65,035,200.00, $63,156,500.00 for operations and $1,878,700.00 for performance funding.~~**$68,227,900.00, $65,275,700.00 FOR OPERATIONS AND $2,952,200.00 FOR PERFORMANCE FUNDING.**

(e) The appropriation for Lake Superior State University is ~~$13,183,600.00, $12,997,500.00 for operations and $186,100.00 for performance funding.~~**$13,567,400.00, $13,207,400.00 FOR OPERATIONS AND $360,000.00 FOR PERFORMANCE FUNDING.**

(f) The appropriation for Michigan State University is ~~$328,782,000.00, $264,437,900.00 for operations, $3,841,000.00 for performance funding, $32,508,300.00 for MSU AgBioResearch, and $27,994,800.00 for MSU Extension.~~**$337,777,800.00, $268,770,700.00 FOR OPERATIONS, $7,091,400.00 FOR PERFORMANCE FUNDING, $33,243,100.00 FOR MSU AGBIORESEARCH, AND $28,672,600.00 FOR MSU EXTENSION.**

(g) The appropriation for Michigan Technological University is ~~$46,662,000.00, $45,938,000.00 for operations and $724,000.00 for performance funding.~~**$48,097,500.00, $46,754,700.00 FOR OPERATIONS AND $1,342,800.00 FOR PERFORMANCE FUNDING.**

(h) The appropriation for Northern Michigan University is ~~$45,020,400.00, $44,338,300.00 for operations and $682,100.00 for performance funding.~~**$46,279,200.00, $45,107,700.00 FOR OPERATIONS AND $1,171,500.00 FOR PERFORMANCE FUNDING.**

(i) The appropriation for Oakland University is ~~$49,600,300.00, $48,371,900.00 for operations and $1,228,400.00 for performance funding.~~**$49,920,700.00, $48,371,900.00 FOR OPERATIONS AND $1,548,800.00 FOR PERFORMANCE FUNDING.**

(j) The appropriation for Saginaw Valley State University is ~~$28,117,700.00, $27,621,600.00 for operations and $496,100.00 for performance funding.~~**$29,114,000.00, $28,181,200.00 FOR OPERATIONS AND $932,800.00 FOR PERFORMANCE FUNDING.**

(k) The appropriation for University of Michigan – Ann Arbor is ~~$299,430,600.00, $295,178,500.00 for operations and $4,252,100.00 for performance funding.~~**$308,639,000.00, $299,975,000.00 FOR OPERATIONS AND $8,664,000.00 FOR PERFORMANCE FUNDING.**

(*l*) The appropriation for University of Michigan – Dearborn is ~~$23,995,400.00, $23,701,000.00 for operations and $294,400.00 for performance funding.~~**$24,803,300.00, $24,033,100.00 FOR OPERATIONS AND $770,200.00 FOR PERFORMANCE FUNDING.**

(m) The appropriation for University of Michigan – Flint is ~~$21,763,700.00, $21,359,600.00 for operations and $404,100.00 for performance funding.~~**$22,549,300.00, $21,815,400.00 FOR OPERATIONS AND $733,900.00 FOR PERFORMANCE FUNDING.**

(n) The appropriation for Wayne State University is ~~$191,346,700.00, $190,529,900.00 for operations and $816,800.00 for performance funding.~~**$196,064,500.00, $191,451,300.00 FOR OPERATIONS AND $4,613,200.00 FOR PERFORMANCE FUNDING.**

(o) The appropriation for Western Michigan University is ~~$104,155,600.00, $102,761,100.00 for operations and $1,394,500.00 for performance funding.~~**$107,440,900.00, $104,334,100.00 FOR OPERATIONS AND $3,106,800.00 FOR PERFORMANCE FUNDING.**

(3) The amount appropriated in subsection (2) for public universities is appropriated from the following:

(a) State school aid fund, ~~$200,019,500.00.~~**$231,219,500.00.**

(b) State general fund/general purpose money, ~~$1,221,041,200.00.~~**$1,231,041,200.00.**

(4) The amount appropriated for Michigan public school employees' retirement system reimbursement is ~~$5,160,000.00,~~ **$5,890,000.00,** appropriated from the state school aid fund.

(5) The amount appropriated for state and regional programs is $315,000.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Higher education database modernization and conversion, $200,000.00.

(b) Midwestern Higher Education Compact, $115,000.00.

(6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks program is $2,691,500.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Select student support services, $1,956,100.00.

(b) Michigan college/university partnership program, $586,800.00.

(c) Morris Hood, Jr. educator development program, $148,600.00.

(7) Subject to subsection (8), the amount appropriated for grants and financial aid is ~~$105,497,200.00,~~ **$110,983,200.00,** allocated as follows:

(a) State competitive scholarships, $18,361,700.00.

(b) Tuition grants, ~~$34,035,500.00.~~**$35,021,500.00.**

(c) Tuition incentive program, ~~$48,500,000.00.~~**$53,000,000.00.**

(d) Children of veterans and officer's survivor tuition grant programs, $1,400,000.00.

(e) Project GEAR-UP, $3,200,000.00.

(8) The money appropriated in subsection (7) for grants and financial aid is appropriated from the following:

(a) Federal revenues under the United States Department of Education, Office of Elementary and Secondary Education, GEAR-UP program, $3,200,000.00.

(b) Federal revenues under the social security act, temporary assistance for needy families, ~~$93,826,400.00.~~**$98,326,400.00.**

(c) Contributions to children of veterans tuition grant program, $100,000.00.

(d) State general fund/general purpose money, ~~$8,370,800.00.~~**$9,356,800.00.**

**(9) FOR FISCAL YEAR 2016-2017 ONLY, $500,000.00 IS APPROPRIATED FOR THE MICHIGAN STATE UNIVERSITY DIAGNOSTIC CENTER FOR POPULATION AND ANIMAL HEALTH, APPROPRIATED FROM STATE GENERAL FUND/GENERAL PURPOSE MONEY.**

Sec. 236a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2017~~ **2018** for the items listed in section 236. The fiscal year ~~2016-2017~~ **2017-2018** appropriations are anticipated to be the same as those for fiscal year ~~2015-2016,~~ **2016-2017,** except that the amounts will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January ~~2016~~ **2017** consensus revenue estimating conference.

Sec. 236b. In addition to the funds appropriated in section 236, there is appropriated for grants and financial aid in fiscal year ~~2015-2016~~ **2016-2017** an amount not to exceed $6,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

Sec. 236c. In addition to the funds appropriated for fiscal year ~~2015-2016~~ **2016-2017** in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year ~~2015-2016~~ **2016-2017** for state building authority rent, totaling an estimated ~~$135,995,300.00,~~ **$144,995,300.00,** provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each university:

(a) Central Michigan University, ~~$9,551,800.00.~~**$11,819,500.00.**

(b) Eastern Michigan University, ~~$4,860,900.00.~~**$4,868,000.00.**

(c) Ferris State University, ~~$6,251,200.00.~~**$6,260,300.00.**

(d) Grand Valley State University, ~~$6,952,300.00.~~**$6,635,900.00.**

(e) Lake Superior State University, ~~$1,720,300.00.~~**$1,722,800.00.**

(f) Michigan State University, ~~$16,549,200.00.~~**$18,827,000.00.**

(g) Michigan Technological University, ~~$7,443,400.00.~~**$6,793,200.00.**

(h) Northern Michigan University, ~~$9,706,200.00.~~**$9,447,600.00.**

(i) Oakland University, ~~$12,993,400.00.~~**$12,685,900.00.**

(j) Saginaw Valley State University, ~~$9,865,800.00.~~**$10,331,000.00.**

(k) University of Michigan - Ann Arbor, ~~$9,607,800.00.~~**$11,875,600.00.**

(*l*) University of Michigan - Dearborn, ~~$6,745,200.00.~~**$9,008,800.00.**

(m) University of Michigan - Flint, ~~$3,104,000.00.~~**$4,357,600.00.**

(n) Wayne State University, ~~$15,703,000.00.~~**$15,399,400.00.**

(o) Western Michigan University, ~~$14,940,800.00.~~**$14,962,700.00.**

**SEC. 236D. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ARTICLE AND IN ADDITION TO THE AMOUNTS APPROPRIATED IN SECTION 236, THERE IS APPROPRIATED $4,500,000.00 FOR HIGHER EDUCATION TO INCREASE THE ALLOCATION FOR THE TUITION INCENTIVE PROGRAM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016. THE SUMMARY OF APPROPRIATIONS IN SECTION 236(1)(A) AND (B) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016 IS ACCORDINGLY REVISED AS FOLLOWS:**

**(A) THE GROSS APPROPRIATION IS $1,539,224,400.00. AFTER DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF $0.00, THE ADJUSTED GROSS APPROPRIATION IS $1,539,224,400.00.**

**(B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED IN SUBDIVISION (A) ARE AS FOLLOWS:**

**(*i*) TOTAL FEDERAL REVENUES, $101,526,400.00.**

**(*ii*) TOTAL LOCAL REVENUES, $0.00.**

**(*iii*) TOTAL PRIVATE REVENUES, $0.00.**

**(*iv*) TOTAL OTHER STATE RESTRICTED REVENUES, $205,279,500.00.**

**(*v*) STATE GENERAL FUND/GENERAL PURPOSE MONEY, $1,232,418,500.00.**

**(2) AS A RESULT OF THE APPROPRIATION IN SUBSECTION (1), THE AMOUNT APPROPRIATED FOR GRANTS AND FINANCIAL AID FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016 IN SECTION 236(7) IS INCREASED TO $109,997,200.00, AND THE ALLOCATION FOR THE TUITION INCENTIVE PROGRAM IN SECTION 236(7)(C) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016 IS INCREASED TO $53,000,000.00.**

**(3) THE MONEY APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016 IN SECTION 236(7) FOR GRANTS AND FINANCIAL AID, AS REVISED IN SUBSECTION (2), IS APPROPRIATED BY INCREASING THE APPROPRIATION FROM FEDERAL REVENUES UNDER THE SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, TO $98,326,400.00.**

Sec. 237b. As used in this article, the term "workforce development agency" means the workforce development agency ~~of the Michigan strategic fund.~~**WITHIN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT--TALENT INVESTMENT AGENCY.**

Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in section 236 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2015.~~ **2016.** Except for Wayne State University, each institution shall accrue its July and August ~~2016~~ **2017** payments to its institutional fiscal year ending June 30, ~~2016.~~**2017.**

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, ~~2015,~~ **2016,** these data shall be submitted to the state budget director by October 15, ~~2015.~~ **2016.** Public universities with a fiscal year ending September 30, ~~2015~~ **2016** shall submit preliminary HEIDI data by November 15, ~~2015~~ **2016** and final data by December 15, ~~2015.~~ **2016.** If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer may withhold the monthly installments under subsection (1) to the public university until those data are submitted.

Sec. 246. (1) All of the following apply to the allocation of the ~~fiscal year 2015-2016~~ appropriations described in section 236(4) for payments to universities that are participating entities of the Michigan public school employees' retirement system:

(a) The funds appropriated in section 236(4) for Michigan public school employees' retirement system reimbursement shall be allocated to each participating public university under this section based on each participating public university's percentage of the total combined payrolls of the universities' employees who are members of the retirement system and who were hired before January 1, 1996 and the universities' employees who would have been members of the retirement system on or after January 1, 1996, but for the enactment of 1995 PA 272 for all public universities that are participating public universities for the immediately preceding state fiscal year.

(b) The amount of a payment under section 236(4) shall be equal to the difference between the unfunded actuarial accrued liability contribution rate for university reporting units as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 25.73% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate for university reporting units of 25.73% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341. Payments shall be made in a form and manner determined by the office of retirement services.

(c) A public university that receives money under section 236(4) shall use that money solely for the purpose of retirement contributions. Each participating university that receives funds under section 236(4) shall forward an amount equal to the amount received under section 236(4) to the Michigan public school employees' retirement system in a form and manner determined by the office of retirement services.

(2) As used in this section, "participating public university" means a public university that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that pays contributions to the Michigan public school employees' retirement system for the state fiscal year.

Sec. 251. (1) Payments of the amounts included in section 236 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of treasury shall determine an actual maximum state competitive scholarship award per student, which shall be not less than $575.00, that ensures that the aggregate payments for the state competitive scholarship program do not exceed the appropriation contained in section 236 for the state competitive scholarship program. If the department determines that insufficient funds are available to establish a maximum award amount equal to at least $575.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a $575.00 maximum award amount.

(3) The department of treasury shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(4) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(5) If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

(6) Veterans ~~administration~~ **ADMINISTRATION** benefits shall not be considered in determining eligibility for the award of scholarships under 1964 PA 208, MCL 390.971 to 390.981.

Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in undergraduate degree programs who are qualified and who apply before July 1 of each year for the next academic year.

(3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections (7) and (8), the department of treasury shall determine an actual maximum tuition grant award per student, which shall be no less than $1,512.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in section 236 for the state tuition grant program. If the department determines that insufficient funds are available to establish a maximum award amount equal to at least $1,512.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a $1,512.00 maximum award amount. If the department determines that sufficient funds are available to establish a maximum award amount equal to at least $1,512.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the maximum award amount established and the projected amount of any projected year-end appropriation balance based on that maximum award amount. By February 18 of each fiscal year, the department shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in section 236 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than the final day of February of each year. If award adjustments are necessary, the students shall be notified of the adjustment by March 4 of each year.

(4) Any unexpended and unencumbered funds remaining on September 30, ~~2016~~ **2017** from the amounts appropriated in section 236 for the tuition grant program for fiscal year ~~2015-2016~~ **2016-2017** shall not lapse on September 30, ~~2016,~~ **2017,** but shall continue to be available for expenditure for tuition grants provided in the ~~2016-2017~~ **2017-2018** fiscal year under a work project account. The use of these unexpended fiscal year ~~2015-2016~~ **2016-2017** funds shall terminate at the end of the ~~2016-2017~~ **2017-2018** fiscal year.

(5) The department of treasury shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for that fiscal year.

(7) Except as provided in subsection (4), the department of treasury shall not award more than $3,200,000.00 in tuition grants to eligible students enrolled in the same independent nonprofit college or university in this state. Any decrease in the maximum grant shall be proportional for all eligible students enrolled in that college or university, as determined by the department.

(8) The department of treasury shall not award tuition grants to otherwise eligible students enrolled in an independent college or university that does not report, in a form and manner directed by and satisfactory to the department of treasury, by September 30 of each year, all of the following:

(a) The number of students in the most recently completed academic year who in any academic year received a state tuition grant at the reporting institution and successfully completed a program or graduated.

(b) The number of students in the most recently completed academic year who in any academic year received a state tuition grant at the reporting institution and took a remedial education class.

(c) The number of students in the most recently completed academic year who in any academic year received a Pell grant at the reporting institution and successfully completed a program or graduated.

(9) By February 1, ~~2016,~~ **2017,** each independent college and university participating in the tuition grant program shall report to the senate and house appropriations subcommittees on higher education, the senate and house fiscal agencies, and the state budget director on its efforts to develop and implement sexual assault response training for the institution's title IX coordinator, campus law enforcement personnel, campus public safety personnel, and any other campus personnel charged with responding to on-campus incidents, including information on sexual assault response training materials and the status of implementing sexual assault response training for institutional personnel.

Sec. 254. The sums appropriated in section 236 for the state competitive scholarship, tuition incentive, and tuition grant programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

**(A) FOR THE STATE COMPETITIVE SCHOLARSHIP AND TUITION GRANT PROGRAMS,** 50% shall be paid at the beginning of the state's first fiscal quarter, 30% during the state's second fiscal quarter, 10% during the state's third fiscal quarter, and 10% during the state's fourth fiscal quarter.

**(B) FOR THE TUITION INCENTIVE PROGRAM, 55% SHALL BE PAID AT THE BEGINNING OF THE STATE'S FIRST FISCAL QUARTER, 40% DURING THE STATE'S SECOND FISCAL QUARTER, AND 5% DURING THE STATE'S THIRD FISCAL QUARTER.**

Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(d) "High school equivalency certificate" means that term as defined in section 4.

(3) An individual shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive **PROGRAM** benefits:

(a) To be eligible for phase I, an individual shall meet all of the following criteria:

(*i*) Apply for certification to the department any time after he or she begins the sixth grade but before August 31 of the school year in which he or she graduates from high school or before achieving a high school equivalency certificate.

(*ii*) Be less than 20 years of age at the time he or she graduates from high school with a diploma or certificate of completion or achieves a high school equivalency certificate.

(*iii*) Be a United States citizen and a resident of Michigan according to institutional criteria.

(*iv*) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or achievement of a high school equivalency certificate.

(*v*) Request information on filing a FAFSA.

(*vi*) ~~Must meet~~ **MEET** the satisfactory academic progress policy of the educational institution he or she attends.

(b) To be eligible for phase II, an individual shall meet either of the following criteria in addition to the criteria in subdivision (a):

(*i*) Complete at least 56 transferable semester or 84 transferable term credits.

(*ii*) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, an individual must not be incarcerated and must be financially eligible as determined by the department. An individual is financially eligible for the tuition incentive program if he or she was eligible for Medicaid from the state of Michigan for 24 months within the 36 **CONSECUTIVE** months before application. The department shall accept certification of Medicaid eligibility only from the department of health and human services for the purposes of verifying if a person is Medicaid eligible for 24 months within the 36 **CONSECUTIVE** months before application. Certification of eligibility may begin in the sixth grade. As used in this subdivision, "incarcerated" does not include detention of a juvenile in a state-operated or privately operated juvenile detention facility.

**(4) BEGINNING IN FISCAL YEAR 2017-2018, THE DEPARTMENT SHALL NOT AWARD MORE THAN $8,500,000.00 ANNUALLY IN TUITION INCENTIVE PROGRAM FUNDS TO ELIGIBLE STUDENTS ENROLLED IN THE SAME COLLEGE OR UNIVERSITY IN THIS STATE.**

**(5)** ~~(4)~~ For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

**(6)** ~~(5)~~ For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree-granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

**(7)** ~~(6)~~ A person participating in phase II may be eligible for additional funds not to exceed $500.00 per semester or $400.00 per term up to a maximum of $2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

**(8)** ~~(7)~~ The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

**(9)** ~~(8)~~ Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

**(10)** ~~(9)~~ Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

**(11)** ~~(10)~~ The department shall ensure that the tuition incentive program is well publicized and that eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2015-2016~~ **2016-2017** for MSU AgBioResearch is $2,982,900.00 and included in the appropriation in section 236 for MSU Extension is $2,645,200.00 for Project GREEEN. Project GREEEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEEN" is an acronym for Generating Research and Extension to Meet Environmental and Economic Needs.

(2) The department of agriculture and rural development and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop Project GREEEN and its program priorities.

Sec. 263a. (1) Not later than September 30 of each year, Michigan State University shall submit a report on MSU AgBioResearch and MSU Extension to the house and senate appropriations subcommittees on agriculture and on higher education, the house and senate standing committees on agriculture, the house and senate fiscal agencies, and the state budget director for the preceding academic fiscal year.

(2) The report required under subsection (1) shall include all of the following:

(a) Total funds expended by MSU AgBioResearch and by MSU Extension identified by state, local, private, federal, and university fund sources.

(b) The metric goals that were used to evaluate the impacts of programs operated by MSU Extension and MSU AgBioResearch. ~~It is the intent of the legislature that the~~ **THE** following metric goals will be used to evaluate the impacts of those programs:

(*i*) Increasing the number of agriculture and food-related firms collaborating with and using services of research and extension faculty and staff by 3% per year.

(*ii*) Increasing the number of individuals utilizing MSU Extension's educational services by 5% per year.

(*iii*) Increasing external funds generated in support of research and extension, beyond state appropriations, by 10% over the amounts generated in the past 3 state fiscal years.

(*iv*) Increasing the sector's total economic impact to at least $100,000,000,000.00.

(*v*) Increasing Michigan's agricultural exports to at least $3,500,000,000.00.

(*vi*) Increasing jobs in the food and agriculture sector by 10%.

(*vii*) Improving access by Michigan consumers to healthy foods by 20%.

(c) A review of major programs within both MSU AgBioResearch and MSU Extension with specific reference to accomplishments, impacts, and the metrics described in subdivision (b), including a specific accounting of Project GREEEN expenditures and the impact of those expenditures.

Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2015-2016~~ **2016-2017** for Michigan State University is $80,000.00 for the Michigan Future Farmers of America Association. This $80,000.00 allocation shall not supplant any existing support that Michigan State University provides to the Michigan Future Farmers of America Association.

Sec. 265. (1) Payments under section 265a for performance funding shall only be made to a public university that certifies to the state budget director by August 31, ~~2015~~ **2016** that its board did not adopt an increase in tuition and fee rates for resident undergraduate students after September 1, ~~2014~~ **2015** for the ~~2014-2015~~ **2015-2016** academic year and that its board will not adopt an increase in tuition and fee rates for resident undergraduate students for the ~~2015-2016~~ **2016-2017** academic year that is greater than ~~3.2%.~~ **4.2%.** As used in this subsection:

(a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all resident undergraduate students at least once during their enrollment at a public university**, AS DESCRIBED IN THE HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) USER MANUAL**. A university increasing a fee that applies to a specific subset of students or

courses shall provide sufficient information to prove that the increase applied to that subset will not cause the increase in the average amount of board-authorized total tuition and fees paid by resident undergraduate students in the ~~2015-2016~~ **2016-2017** academic year to exceed the limit established in this subsection.

(b) "Tuition and fee rate" means the average of full-time rates ~~for all~~ **PAID BY A MAJORITY OF STUDENTS IN EACH** undergraduate ~~classes,~~ **CLASS,** based on an **UNWEIGHTED** average of the rates authorized by the university board and actually charged to students, deducting any uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of full-time equated resident undergraduate enrollment during the academic year**, AS DESCRIBED IN THE HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) USER MANUAL**.

(c) For purposes of subdivision (a), for a public university that compels resident undergraduate students to be covered by health insurance as a condition to enroll at the university, "fee" includes the annual amount a student is charged for coverage by the university-affiliated group health insurance policy if he or she does not provide proof that he or she is otherwise covered by health insurance. This subdivision does not apply to limited subsets of resident undergraduate students to be covered by health insurance for specific reasons other than general enrollment at the university.

(2) The state budget director shall implement uniform reporting requirements to ensure that a public university receiving a payment under section 265a for performance funding has satisfied the tuition restraint requirements of this section. The state budget director shall have the sole authority to determine if a public university has met the requirements of this section. Information reported by a public university to the state budget director under this subsection shall also be reported to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies.

**(3) UNIVERSITIES THAT EXCEED THE TUITION AND FEE RATE CAP DESCRIBED IN SUBSECTION (1) SHALL NOT RECEIVE A PLANNING OR CONSTRUCTION AUTHORIZATION FOR A STATE-FUNDED CAPITAL OUTLAY PROJECT IN FISCAL YEAR 2017-2018 OR FISCAL YEAR 2018-2019.**

**(4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE LEGISLATURE MAY AT ANY TIME ADJUST APPROPRIATIONS FOR A UNIVERSITY THAT ADOPTS AN INCREASE IN TUITION AND FEE RATES FOR RESIDENT UNDERGRADUATE STUDENTS THAT EXCEEDS THE RATE CAP ESTABLISHED IN SUBSECTION (1).**

Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal year ~~2015-2016~~ **2016-2017** for performance funding shall be paid only to a public university that complies with section 265 and certifies to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies by August 31, ~~2015~~ **2016** that it complies with all of the following requirements:

(a) The university participates in reverse transfer agreements described in section 286 with at least 3 Michigan community colleges**.** ~~or has made a good-faith effort to enter into reverse transfer agreements.~~

(b) The university does not and will not consider whether dual enrollment credits earned by an incoming student were utilized towards his or her high school graduation requirements when making a determination as to whether those credits may be used by the student toward completion of a university degree or certificate program.

(c) The university **ACTIVELY** participates in **AND SUBMITS TIMELY UPDATES TO** the Michigan Transfer Network created as part of the Michigan Association of Collegiate Registrars and Admissions Officers transfer agreement.

(2) Any performance funding amounts under section 236 that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) are unappropriated and reappropriated for performance funding to those public universities that meet the requirements under subsection (1), distributed in proportion to their performance funding appropriation amounts under section 236.

(3) The state budget director shall report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies by September 30, ~~2015,~~ **2016,** regarding any performance funding amounts that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) and any reappropriation of funds under subsection (2).

(4) Performance funding amounts described in section 236 are distributed based on the following formula:

**(A) PROPORTIONAL TO EACH UNIVERSITY'S SHARE OF TOTAL OPERATIONS FUNDING APPROPRIATED IN FISCAL YEAR 2010-2011, 50%.**

**(B)** ~~(a)~~ Based on weighted undergraduate completions in critical skills areas, ~~22.2%.~~**11.1%.**

**(C)** ~~(b)~~ Based on research and development expenditures, for universities classified in Carnegie classifications as doctoral/research universities, research universities (high research activity), or research universities (very high research activity) only, ~~11.1%.~~**5.6%.**

**(D)** ~~(c)~~ Based on 6-year graduation rate, total degree completions, and institutional support as a percentage of core expenditures, and the percentage of students receiving Pell grants, scored against national Carnegie classification peers and weighted by total undergraduate fiscal year equated students, ~~66.7%.~~**33.3%.**

(5) For purposes of determining the score of a university under subsection ~~(4)(c),~~ **(4)(D),** each university is assigned 1 of the following scores:

(a) A university classified as in the top 20%, a score of 3.

(b) A university classified as above national median, a score of 2.

(c) A university classified as improving, a score of 2. It is the intent of the legislature that, beginning in the ~~2016-2017~~ **2017-2018** state fiscal year, a university classified as improving is assigned a score of 1.

(d) A university that is not included in subdivision (a), (b), or (c), a score of 0.

(6) ~~For purposes of~~ **AS USED IN** this section, "Carnegie classification" ~~shall mean~~ **MEANS** the basic classification of the university according to the most recent version **PRIOR TO FEBRUARY 1, 2016** of the Carnegie classification of institutions of higher education, published by the Carnegie Foundation for the Advancement of Teaching.

Sec. 267. All public universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year ~~2015-2016~~ **2016-2017** as part of their higher education institutional data inventory (HEIDI) data by August 31 of each year. A public university shall report any revisions for any semester of the reported academic year ~~2015-2016~~ **2016-2017** tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 268. (1) For the fiscal year ending September 30, ~~2016,~~ **2017,** it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund.

(2) By February 15 of each year, the department of civil rights shall annually submit to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies a report on North American Indian tuition waivers for the preceding fiscal year that includes, but is not limited to, all of the following information**:** ~~for each postsecondary institution:~~

(a) The ~~total~~ number of waiver applications **RECEIVED AND THE NUMBER OF WAIVER APPLICATIONS APPROVED**.

**(B) FOR EACH UNIVERSITY SUBMITTING INFORMATION UNDER SUBSECTION (3), ALL OF THE FOLLOWING:**

**(*i*) THE NUMBER OF GRADUATE AND UNDERGRADUATE NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH TERM FOR THE PREVIOUS FISCAL YEAR.**

**(*ii*)** ~~(b)~~ The ~~total~~ number of **NORTH AMERICAN INDIAN** waivers granted **EACH TERM** and the monetary value of ~~each waiver.~~**THE WAIVERS FOR THE PREVIOUS FISCAL YEAR.**

**(*iii*)** ~~(c)~~ The number of **GRADUATE AND UNDERGRADUATE** students **ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER** who ~~withdraw~~ **WITHDREW** from ~~classes.~~**THE UNIVERSITY DURING THE PREVIOUS FISCAL YEAR.**

**(*iv*)** ~~(d)~~ The number of **GRADUATE AND UNDERGRADUATE** students **ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER** who successfully complete a degree or certificate program**, SEPARATED BY DEGREE OR CERTIFICATE LEVEL,** and the ~~6-year~~ graduation rate **FOR GRADUATE AND UNDERGRADUATE STUDENTS ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER WHO COMPLETE A DEGREE WITHIN 150% OF THE NORMAL TIME TO COMPLETE, SEPARATED BY THE LEVEL OF THE DEGREE**.

(3) A public university that receives funds under section 236 shall provide to the department of civil rights any information necessary for preparing the report detailed in subsection (2)**, USING GUIDELINES AND PROCEDURES DEVELOPED BY THE DEPARTMENT OF CIVIL RIGHTS**.

**(4) THE DEPARTMENT OF CIVIL RIGHTS MAY CONSOLIDATE THE REPORT REQUIRED UNDER THIS SECTION WITH THE REPORT REQUIRED UNDER SECTION 223, BUT A CONSOLIDATED REPORT MUST SEPARATELY IDENTIFY DATA FOR UNIVERSITIES AND DATA FOR COMMUNITY COLLEGES.**

Sec. 269. For fiscal year ~~2015-2016,~~ **2016-2017,** from the amount appropriated in section 236 to Central Michigan University for operations, $29,700.00 shall be paid to Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

Sec. 270. For fiscal year ~~2015-2016,~~ **2016-2017,** from the amount appropriated in section 236 to Lake Superior State University for operations, $100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

Sec. 274. It is the intent of the legislature that public and private organizations that conduct human embryonic stem cell derivation subject to section 27 of article I of the state constitution of 1963 will provide information to the director of the department of health and human services by December 1, ~~2015~~ **2016** that includes all of the following:

(a) Documentation that the organization conducting human embryonic stem cell derivation is conducting its activities in compliance with the requirements of section 27 of article I of the state constitution of 1963 and all relevant National Institutes of Health guidelines pertaining to embryonic stem cell derivation.

(b) A list of all human embryonic stem cell lines submitted by the organization to the National Institutes of Health for inclusion in the Human Embryonic Stem Cell Registry before and during fiscal year ~~2014-2015,~~ **2015-2016,** and the status of each submission as approved, pending approval, or review completed but not yet accepted.

(c) Number of human embryonic stem cell lines derived and not submitted for inclusion in the Human Embryonic Stem Cell Registry, before and during fiscal year ~~2014-2015.~~**2015-2016.**

Sec. 274c. By February 1, ~~2016,~~ **2017,** each university receiving funds under section 236 shall report to the senate and house appropriations subcommittees on higher education, the senate and house fiscal agencies, and the state budget director

on its efforts to develop and implement sexual assault response training for the university's title IX coordinator, campus law enforcement personnel, campus public safety personnel, and any other campus personnel charged with responding to on-campus incidents, including information on sexual assault response training materials and the status of implementing sexual assault response training for campus personnel.

Sec. 275. (1) It is the intent of the legislature that each public university that receives an appropriation in section 236 do all of the following:

(a) Meet the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to ~~3324,~~ **3325,** including voluntary participation in the ~~yellow ribbon GI education enhancement program~~ **YELLOW RIBBON GI EDUCATION ENHANCEMENT PROGRAM** established in that act in 38 USC 3317. By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the ~~presidents council, state universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES** on whether or not it has chosen to participate in the ~~yellow ribbon GI education enhancement program.~~ **YELLOW RIBBON GI EDUCATION ENHANCEMENT PROGRAM.** If at any time during the fiscal year a university participating in the ~~yellow ribbon program~~ **YELLOW RIBBON PROGRAM** chooses to leave the ~~yellow ribbon program,~~ **YELLOW RIBBON PROGRAM,** it shall notify the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the ~~presidents council, state universities of Michigan.~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES.**

(b) Establish an on-campus veterans' liaison to provide information and assistance to all student veterans.

(c) Provide flexible enrollment application deadlines for all veterans.

(d) Include in its admission application process a specific question as to whether an applicant for admission is a veteran, an active member of the military, a member of the ~~national guard~~ **NATIONAL GUARD** or military reserves, or the spouse or dependent of a veteran, active member of the military, or member of the ~~national guard~~ **NATIONAL GUARD** or military reserves, in order to more quickly identify potential educational assistance available to that applicant.

(e) Consider all veterans residents of this state for determining their tuition rates and fees.

(f) Waive enrollment fees for all veterans.

(2) By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the department of military and veterans affairs regarding services provided specifically to veterans and active military duty personnel, including, but not limited to, the services described in subsection (1).

(3) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to ~~3324.~~**3325.**

Sec. 276. (1) Included in the appropriation for fiscal year ~~2015-2016~~ **2016-2017** for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each public university in a manner prescribed by the workforce development agency. The workforce development agency shall use a good faith effort standard to evaluate whether a fellowship is in default.

Sec. 277. (1) Included in the appropriation for fiscal year ~~2015-2016~~ **2016-2017** for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each public university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each public university in a manner prescribed by the workforce development agency.

Sec. 278. (1) Included in section 236 for fiscal year ~~2015-2016~~ **2016-2017** is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically or economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) An award made under this program to any 1 institution shall not be greater than $150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the workforce development agency.

Sec. 279. (1) Included in section 236 for fiscal year ~~2015-2016~~ **2016-2017** is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically or economically disadvantaged students who transfer from community colleges into baccalaureate programs. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the transfer student population.

(2) The grants shall be made under the program described in this section to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than $150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the workforce development agency.

Sec. 280. (1) Included in the appropriation for fiscal year ~~2015-2016~~ **2016-2017** for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the workforce development agency.

Sec. 281. (1) Included in the appropriation for fiscal year ~~2015-2016~~ **2016-2017** in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

(2) The program described in this section shall be administered by each state-approved teacher education institution in a manner prescribed by the workforce development agency.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program described in this section.

Sec. 282. Each institution receiving funds for fiscal year ~~2015-2016~~ **2016-2017** under section 278, 279, or 281 shall notify the workforce development agency by April 15, ~~2016~~ **2017** as to whether it will expend by the end of its fiscal year the funds received under section 278, 279, or 281. Notwithstanding the award limitations in sections 278 and 279, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 278, 279, or 281.

Sec. 283. (1) From the amount appropriated in section 236, the public universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the ~~Presidents Council, State Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES** in cooperation with the Michigan Association of Secondary School Principals. Public universities shall also work with the center for educational performance and information to maintain a systematic approach for accomplishing this task.

(2) Michigan high schools shall systematically inform the public universities about the use of information received under this section in a manner prescribed by the Michigan Association of Secondary School Principals in cooperation with the ~~Presidents Council, State Universities of Michigan.~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES.**

Sec. 284. From the amount appropriated in section 236, the public universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the ~~Presidents Council, State Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES** in cooperation with the Michigan Community College Association. Public universities shall also work with the center for educational performance and information to maintain a systematic approach for accomplishing this task.

**SEC. 286A. BY FEBRUARY 1, 2017, THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND THE MICHIGAN INDEPENDENT COLLEGES AND UNIVERSITIES, ON BEHALF OF THEIR MEMBER COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR A COMPREHENSIVE REPORT DETAILING THE NUMBER OF ACADEMIC PROGRAM PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING INFORMATION:**

**(A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE CAMPUSES.**

**(B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.**

**(C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1, 2015 THROUGH JUNE 30, 2016.**

Sec. 290. By March 1 of each year, the ~~presidents council, state universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES** shall provide a listing of new degree programs for which enrollment information will be reported to HEIDI under sections 241 and 289, as well as a listing of degree programs that institutions of higher education will no longer offer in subsequent academic years, to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2015 PA 85, 2015 PA 139, and this amendatory act for fiscal year 2015-2016 is estimated at $11,960,539,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2015-2016 are estimated at $11,919,909,800.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory act, from state sources for fiscal year 2016-2017 is estimated at $12,343,209,400.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2016-2017 are estimated at $12,181,929,700.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2016-2017 under article II of the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1830a, as amended by this amendatory act, is estimated at $395,925,600.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2016-2017 is estimated at $395,925,600.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2016-2017 under article III of the state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1893, as amended by this amendatory act, is estimated at $1,481,114,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2016-2017 is estimated at $0.

Enacting section 2. Sections 22i, 43, 99c, 210c, 230a, 236d, 239a, and 293 of the state school aid act of 1979, 1979 PA 94, MCL 388.1622i, 388.1643, 388.1699c, 388.1810c, 388.1830a, 388.1836d, 388.1839a, and 388.1893, are repealed effective October 1, 2016.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2016.

(2) Sections 11, 11j, 11m, 11r, 20g, 22a, 22b, 24a, 26a, 26c, 31f, 35a, 51a, 51c, 56, 61a, 61b, 62, and 64b of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611j, 388.1611m, 388.1611r, 388.1620g, 388.1622a, 388.1622b, 388.1624a, 388.1626a, 388.1626c, 388.1631f, 388.1635a, 388.1651a, 388.1651c, 388.1656, 388.1661a, 388.1661b, 388.1662, and 388.1664b, as amended by this amendatory act, and sections 11o and 236d of the state school aid act of 1979, 1979 PA 94, MCL 388.1611o and 388.1836d, as added by this amendatory act, take effect upon enactment of this amendatory act.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts", by amending sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 25g, 26a, 26b, 26c, 31a, 31c, 31d, 31f, 31h, 32d, 32p, 35, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 101, 102d, 104, 104b, 104c, 104d, 107, 147, 147a, 147c, 152a, 166, 166b, 201, 201a, 202a, 203, 206, 207, 207a, 207b, 207c, 209, 210b, 212, 217, 219, 220, 222, 223, 224, 225, 226, 229a, 230, 236, 236a, 236b, 236c, 237b, 241, 246, 251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, and 290 (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631c, 388.1631d, 388.1631f, 388.1631h, 388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1701, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766, 388.1766b, 388.1801, 388.1801a, 388.1802a, 388.1803, 388.1806, 388.1807, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1812, 388.1817, 388.1819, 388.1820, 388.1822, 388.1823, 388.1824, 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1837b, 388.1841, 388.1846, 388.1851, 388.1852, 388.1854, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1874c, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, and 388.1890), section 3, 203, 207,

212, 219, 220, 223, 251, and 254 as amended and section 237b as added by 2012 PA 201, sections 4, 6, 98, 107, 230, and 256 as amended by 2016 PA 56, sections 11, 21f, 31a, and 32d as amended by 2015 PA 139, sections 11a, 11j, 11k, 11m, 11r, 15, 20, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31d, 31f, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 99h, 101, 104, 104b, 104c, 147, 147a, 147c, 152a, 201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 225, 226, 229a, 236, 236a, 236b, 236c, 241, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 25g, 31c, 31h, 35, 35a, 55, 61b, 65, 67, 99s, 102d, 104d, and 274c as added by 2015 PA 85, section 18 as amended by 2015 PA 114, sections 19, 202a, 224, and 275 as amended by 2014 PA 196, section 166 as amended by 1996 PA 300, section 166b as amended by 2015 PA 222, and section 290 as amended by 2013 PA 60, and by adding sections 11o, 11s, 20m, 21, 21g, 31b, 31j, 32q, 54b, 61c, 63, 99t, 152b, 167a, 210e, 236d, and 286a; and to repeal acts and parts of acts.

Dave Hildenbrand
Arlan B. Meekhof
Conferees for the Senate

Al Pscholka
Tim Kelly
Harvey Santana
Conferees for the House

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 415** **Yeas—20**

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | Marleau | Robertson |
| Brandenburg | Horn | Meekhof | Schmidt |
| Casperson | Knollenberg | Nofs | Shirkey |
| Green | Kowall | O'Brien | Stamas |
| Hansen | MacGregor | Proos | Zorn |

**Nays—17**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Johnson | Rocca |
| Bieda | Hood | Jones | Schuitmaker |
| Colbeck | Hopgood | Knezek | Warren |
| Emmons | Hune | Pavlov | Young |
| Gregory | | | |

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

Senator Kowall moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senator Kowall moved that joint rule 9 be suspended to permit immediate consideration of the conference report relative to the following bill:

**House Bill No. 5294**

The motion prevailed, a majority of the members serving voting therefor.

**House Bill No. 5294, entitled**

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, capital outlay, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2016 and September 30, 2017 and for other fiscal years; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The House of Representatives has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

## First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning

**House Bill No. 5294, entitled**

A bill 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, 2017 and other fiscal years; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, capital outlay, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2016 and September 30, 2017 and for other fiscal years; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

ARTICLE I

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**

| | | |
|---|---|---|
| APPROPRIATION SUMMARY | | |
| Full-time equated unclassified positions | 6.0 | |
| Full-time equated classified positions | 473.0 | |
| GROSS APPROPRIATION | $ | 94,101,300 |
| Interdepartmental grant revenues: | | |
| IDG from LARA (LCC), liquor quality testing fees | | 220,100 |
| IDG from MDEQ, biosolids | | 103,100 |
| Total interdepartmental grants and intradepartmental transfers | | 323,200 |
| ADJUSTED GROSS APPROPRIATION | $ | 93,778,100 |
| Federal revenues: | | |
| Department of Interior | | 273,800 |
| EPA, multiple grants | | 1,313,100 |
| HHS, multiple grants | | 2,520,600 |
| USDA, multiple grants | | 6,363,700 |
| Total federal revenues | | 10,471,200 |
| Special revenue funds: | | |
| Private - commodity group revenue | | 109,600 |
| Private - slow-the-spread foundation | | 21,100 |
| Total private revenues | | 130,700 |
| Agricultural preservation fund | | 1,109,800 |
| Agriculture equine industry development fund | | 3,667,200 |
| Agriculture licensing and inspection fees | | 4,107,400 |
| Animal welfare fund | | 193,300 |
| Commodity inspection fees | | 516,000 |
| Consumer and industry food safety education fund | | 355,400 |
| Dairy and food safety fund | | 5,103,800 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Feed control fund | $ | 1,135,200 |
| Fertilizer control fund | | 762,600 |
| Freshwater protection fund | | 6,401,300 |
| Gasoline inspection and testing fund | | 1,990,200 |
| Grain dealers fee fund | | 615,000 |
| Horticulture fund | | 38,800 |
| Industry support funds | | 433,300 |
| Migratory labor housing fund | | 167,800 |
| Nonretail liquor fees | | 904,200 |
| Private forestland enhancement fund | | 288,200 |
| Refined petroleum fund | | 2,373,200 |
| Rural development fund | | 2,000,000 |
| Testing fees | | 293,100 |
| Weights and measures regulation fees | | 793,500 |
| Total other state restricted revenues | | 33,249,300 |
| State general fund/general purpose | $ | 49,926,900 |
| State general fund/general purpose schedule: | | |
| Ongoing state general fund/general purpose ....$47,536,900 | | |
| One-time state general fund/general purpose .... $2,390,000 | | |
| **Sec. 102. DEPARTMENTWIDE** | | |
| Full-time equated unclassified positions.... 6.0 | | |
| Full-time equated classified positions .... 32.0 | | |
| Commissions and boards | $ | 23,800 |
| Unclassified positions—6.0 FTE positions | | 545,900 |
| Executive direction—9.0 FTE positions | | 1,413,500 |
| Operational services—19.0 FTE positions | | 1,882,700 |
| Statistical reporting service—1.0 FTE position | | 153,600 |
| Emergency management—3.0 FTE positions | | 614,600 |
| Accounting service center | | 1,141,600 |
| Building occupancy charges | | 631,200 |
| GROSS APPROPRIATION | $ | 6,406,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| HHS, multiple grants | | 331,900 |
| Special revenue funds: | | |
| Private - commodity group revenue | | 79,100 |
| Agricultural preservation fund | | 15,200 |
| Agriculture licensing and inspection fees | | 263,900 |
| Commodity inspection fees | | 1,100 |
| Dairy and food safety fund | | 416,900 |
| Feed control fund | | 38,900 |
| Fertilizer control fund | | 24,000 |
| Freshwater protection fund | | 67,500 |
| Gasoline inspection and testing fund | | 80,000 |
| Grain dealers fee fund | | 7,900 |
| Industry support funds | | 54,300 |
| Migratory housing fund | | 28,600 |
| Nonretail liquor fees | | 28,100 |
| State general fund/general purpose | $ | 4,969,500 |
| **Sec. 103. INFORMATION AND TECHNOLOGY** | | |
| Information technology services and projects | $ | 1,768,500 |
| GROSS APPROPRIATION | $ | 1,768,500 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from LARA (LCC), liquor quality testing fees | | 3,200 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Special revenue funds: | | |
| Agricultural preservation fund | $ | 200 |
| Agriculture licensing and inspection fees | | 93,800 |
| Dairy and food safety fund | | 61,200 |
| Freshwater protection fund | | 100 |
| Gasoline inspection and testing fund | | 31,800 |
| Nonretail liquor fees | | 500 |
| State general fund/general purpose | $ | 1,577,700 |
| **Sec. 104. FOOD AND DAIRY** | | |
| Full-time equated classified positions 123.0 | | |
| Food safety and quality assurance—93.0 FTE positions | $ | 14,006,400 |
| Milk safety and quality assurance—30.0 FTE positions | | 4,260,100 |
| GROSS APPROPRIATION | $ | 18,266,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| HHS, multiple grants | | 1,193,800 |
| USDA, multiple grants | | 136,300 |
| Special revenue funds: | | |
| Consumer and industry food safety education fund | | 355,400 |
| Dairy and food safety fund | | 4,554,500 |
| State general fund/general purpose | $ | 12,026,500 |
| **Sec. 105. ANIMAL INDUSTRY** | | |
| Full-time equated classified positions 60.0 | | |
| Animal disease prevention and response—60.0 FTE positions | $ | 9,054,500 |
| Indemnification - livestock depredation | | 50,000 |
| Animal agriculture initiative - ongoing | | 399,000 |
| GROSS APPROPRIATION | $ | 9,503,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| Department of Interior | | 50,800 |
| HHS, multiple grants | | 46,600 |
| USDA, multiple grants | | 527,900 |
| Special revenue funds: | | |
| Private commodity group revenue | | 30,500 |
| Agriculture licensing and inspection fees | | 59,300 |
| Animal welfare fund | | 193,300 |
| State general fund/general purpose | $ | 8,595,100 |
| **Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT** | | |
| Full-time equated classified positions 92.0 | | |
| Pesticide and plant pest management—86.0 FTE positions | $ | 13,672,000 |
| Producer security/grain dealers—6.0 FTE positions | | 653,500 |
| GROSS APPROPRIATION | $ | 14,325,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| Department of Interior | | 101,700 |
| EPA, multiple grants | | 533,100 |
| HHS, multiple grants | | 325,000 |
| USDA, multiple grants | | 843,800 |
| Special revenue funds: | | |
| Private - slow-the-spread foundation | | 21,100 |
| Agriculture licensing and inspection fees | | 3,611,600 |
| Commodity inspection fees | | 514,900 |
| Feed control fund | | 948,600 |
| Fertilizer control fund | | 738,600 |
| Freshwater protection fund | | 153,900 |
| Grain dealers fee fund | | 607,100 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Horticulture fund | $ | 38,800 |
| Industry support funds | | 246,400 |
| State general fund/general purpose | $ | 5,640,900 |
| **Sec. 107. ENVIRONMENTAL STEWARDSHIP** | | |
| Full-time equated classified positions ... 55.0 | | |
| Environmental stewardship - MAEAP—23.0 FTE positions | $ | 9,146,800 |
| Farmland and open space preservation—7.0 FTE positions | | 1,422,100 |
| Qualified forest program—9.0 FTE positions | | 2,582,700 |
| Migrant labor housing—9.0 FTE positions | | 1,199,400 |
| Right-to-farm—3.0 FTE positions | | 577,600 |
| Intercounty drain—4.0 FTE positions | | 484,400 |
| GROSS APPROPRIATION | $ | 15,413,000 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from MDEQ, biosolids | | 103,100 |
| Federal revenues: | | |
| Department of Interior | | 121,300 |
| EPA, multiple grants | | 608,300 |
| USDA, multiple grants | | 922,300 |
| Special revenue funds: | | |
| Agricultural preservation fund | | 1,094,400 |
| Freshwater protection fund | | 6,179,800 |
| Migratory labor housing fund | | 139,200 |
| Private forestland enhancement fund | | 288,200 |
| State general fund/general purpose | $ | 5,956,400 |
| **Sec. 108. LABORATORY PROGRAM** | | |
| Full-time equated classified positions ... 96.0 | | |
| Laboratory services—42.0 FTE positions | $ | 6,611,000 |
| USDA monitoring—13.0 FTE positions | | 1,616,500 |
| Consumer protection program—41.0 FTE positions | | 6,637,400 |
| GROSS APPROPRIATION | $ | 14,864,900 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from LARA (LCC), liquor quality testing fees | | 216,900 |
| Federal revenues: | | |
| EPA, multiple grants | | 171,700 |
| HHS, multiple grants | | 623,300 |
| USDA, multiple grants | | 1,617,400 |
| Special revenue funds: | | |
| Agriculture licensing and inspection fees | | 78,800 |
| Dairy and food safety fund | | 71,200 |
| Feed control fund | | 147,700 |
| Gasoline inspection and testing fund | | 1,878,400 |
| Refined petroleum fund | | 2,373,200 |
| Testing fees | | 293,100 |
| Weights and measures regulation fees | | 793,500 |
| State general fund/general purpose | $ | 6,599,700 |
| **Sec. 109. AGRICULTURE DEVELOPMENT** | | |
| Full-time equated classified positions ... 15.0 | | |
| Agriculture development—11.0 FTE positions | $ | 3,604,300 |
| Grape and wine program—3.0 FTE positions | | 921,000 |
| Value-added grants - ongoing | | 500,000 |
| Rural development fund grant program—1.0 FTE position | | 2,000,000 |
| GROSS APPROPRIATION | $ | 7,025,300 |
| Appropriated from: | | |
| Federal revenues: | | |
| USDA, multiple grants | | 2,316,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Special revenue funds: | | |
| Industry support funds | $ | 132,600 |
| Nonretail liquor fees | | 875,600 |
| Rural development fund | | 2,000,000 |
| State general fund/general purpose | $ | 1,701,100 |
| **Sec. 110. FAIRS AND EXPOSITIONS** | | |
| Fairs and racing | $ | 256,600 |
| County fairs, shows, and exhibitions grants | | 470,000 |
| Purses and supplements - fairs/licensed tracks | | 708,300 |
| Licensed tracks - light horse racing | | 40,300 |
| Light horse racing - breeders' awards | | 20,000 |
| Standardbred breeders' awards | | 345,900 |
| Standardbred purses and supplements - licensed tracks | | 671,800 |
| Standardbred sire stakes | | 275,000 |
| Thoroughbred supplements - licensed tracks | | 601,900 |
| Thoroughbred breeders' awards | | 368,600 |
| Thoroughbred sire stakes | | 378,800 |
| GROSS APPROPRIATION | $ | 4,137,200 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Agriculture equine industry development fund | | 3,667,200 |
| State general fund/general purpose | $ | 470,000 |
| **Sec. 111. ONE-TIME BASIS ONLY** | | |
| Value-added grants - one-time | $ | 1,000,000 |
| Grape and wine council - one-time | | 170,000 |
| Vital agriculture infrastructure grant program | | 220,000 |
| Tree fruit research grants | | 500,000 |
| Animal agriculture initiative - one-time | | 500,000 |
| GROSS APPROPRIATION | $ | 2,390,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 2,390,000 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $83,176,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is $4,750,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

| | | |
|---|---|---|
| Environmental stewardship/MAEAP | $ | 3,250,000 |
| Qualified forest program | | 1,500,000 |
| TOTAL | $ | 4,750,000 |

Sec. 202. The appropriations authorized under part 1 and this part are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in part 1 and this part:

(a) "Department" means the department of agriculture and rural development.

(b) "Director" means the director of the department.

(c) "EPA" means the United States Environmental Protection Agency.

(d) "FDA" means the United States Food and Drug Administration.

(e) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.

(f) "FTE" means full-time equated.

(g) "HHS" means the United States Department of Health and Human Services.

(h) "IDG" means interdepartmental grant.

(i) "LARA" means the Michigan department of licensing and regulatory affairs.

(j) "LCC" means the Michigan liquor control commission.

(k) "MAEAP" means the Michigan agriculture environmental assurance program.

(*l*) "MDEQ" means the Michigan department of environmental quality.

(m) "MDNR" means the Michigan department of natural resources.

(n) "MOU" means memorandum of understanding.

(o) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

(p) "TB" means tuberculosis.

(q) "USDA" means the United States Department of Agriculture.

Sec. 204. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 205. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

(b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 208. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $6,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the subcommittees, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2016 and September 30, 2017.

Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 is $11,911,300.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $6,604,500.00. Total agency appropriations for retiree health care legacy costs are estimated at $5,306,800.00.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 234. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

**DEPARTMENTWIDE**

Sec. 301. (1) The department may establish a fee schedule and collect fees for the following work activities and services:

(a) Pesticide and plant pest management propagation and certification of virus-free foundation stock.

(b) Fruit and vegetable inspection and grading services at shipping and termination points and processing plants.

(c) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.

(d) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.

(e) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.

(f) Laboratory support test samples for other state and local agencies and public or private organizations.

(2) The department may receive and expend revenue from the fees authorized under subsection (1), subject to appropriation, for the purpose of recovering expenses associated with the work activities and services described in subsection (1). Fee revenue collected by the department under subsection (1) shall not lapse to the state general fund at the end of the fiscal year but shall carry forward for appropriation by the legislature in the subsequent fiscal year.

(3) The department shall notify the subcommittees and the fiscal agencies 30 days prior to proposing changes in fees authorized under this section or under section 5 of the market conditions act, 1915 PA 91, MCL 285.35.

(4) On or before February 1 of each year, the department shall provide a report to the subcommittees and the fiscal agencies detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.

Sec. 302. (1) The department may contract with or provide grants to local units of government, institutions of higher education, or nonprofit organizations to support activities authorized by appropriations in part 1. As used in this section, contracts and grants include, but are not limited to, contracts for delivery of groundwater/freshwater programs, MAEAP technical assistance, forest management, invasive species monitoring, wildlife risk mitigation, grants promoting proper pesticide disposal, and research grants for the purpose of enhancing the agricultural industries in this state.

(2) The department shall provide notice of contracts or grants authorized under this section to the subcommittees and the fiscal agencies not later than 7 days before the department notifies contract or grant recipients.

Sec. 303. It is the intent of the legislature that the department use revenue from licensing and inspection fees to increase the use of technology in licensing and inspection activities to make licensing and inspection functions, including reporting, more efficient. The department shall work to ensure that all license and registration applications can be completed online through a secure web portal.

**FOOD AND DAIRY**

Sec. 401. (1) The department shall report on the previous calendar year's activities of the food and dairy division. The report shall include information on activities and outcomes of the dairy safety and inspection program, the food safety inspection program, the foodborne illness and emergency response program, and the food service program.

(2) The report shall include information on significant foodborne outbreaks and emergencies, including any enforcement actions taken related to food safety during the prior calendar year.

(3) The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

Sec. 403. It is the intent of the legislature that the department work with the FDA and representatives of agriculture producers to develop on-farm food safety education and training programs to assist producers in implementing the food

safety modernization act, Public Law 111-353, requirements. The department may receive and expend federal revenues in excess of the federal revenue appropriated in part 1, section 104, for food safety modernization act, Public Law 111-353, education and training program activities. The department shall notify the subcommittees and the fiscal agencies prior to expending federal revenues authorized under this section.

**ANIMAL INDUSTRY**

Sec. 451. From the funds appropriated in part 1 for bovine tuberculosis, the department shall pay for all whole herd testing costs and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

Sec. 452. The department shall report on the previous calendar year's activities of the animal industry division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

Sec. 453. (1) From the funds appropriated in part 1 for animal disease prevention and response, the department may provide for indemnity pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not to exceed $100,000.00 per order. Any indemnification agreement between the department and an owner of livestock that exceeds $100,000.00 shall be subject to specific appropriation by the legislature.

(2) The department shall not make an indemnification payment under the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, until the department provides all of the following information to the subcommittees and the fiscal agencies:

(a) The reason for the indemnification.

(b) The amount of the indemnification.

(c) The person to whom the indemnification is to be paid.

(3) From the funds appropriated in part 1 for indemnification - livestock depredation, the department shall make indemnification payments for livestock killed by a wolf, coyote, or cougar pursuant to the wildlife depredation indemnification act, 2012 PA 487, MCL 285.361 to 285.365.

(4) On or before March 1, 2017, the department shall report to the subcommittees and the fiscal agencies on indemnification payments for livestock depredation made in the previous fiscal year. The report shall include all of the following information:

(a) The reason for the indemnification.

(b) The amount of the indemnification.

(c) The person to whom the indemnification was paid.

Sec. 454. The department shall use its resources to collaborate with the USDA to monitor bovine TB, consistent with the May 2014 memorandum of understanding between the department and the USDA.

Sec. 457. (1) On or before October 15, 2016, the department shall provide to the subcommittees and the fiscal agencies a report on bovine TB status and department activities.

(2) For each fiscal quarter following the report required in subsection (1), the department shall provide an update to the subcommittees and fiscal agencies. The quarterly update reports shall identify significant impacts to the program, including new incidence of bovine TB in this state, department activity associated with specific new incidence of bovine TB, any changes in USDA requirements or movement orders, information and data on: wildlife risk mitigation plan implementation in the modified accredited zone; implementation of a movement certificate process; progress toward annual surveillance test requirements; efforts to work with slaughter facilities in Michigan, as well as those that slaughter a significant number of animals from Michigan; educational programs and information for Michigan's livestock community; any other item the legislature should be aware of that will promote or hinder efforts to achieve bovine TB-free status for Michigan.

Sec. 458. From the funds appropriated in part 1 for animal industry, the department shall provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under section 7 of the Michigan aquaculture development act, 1996 PA 199, MCL 286.877.

Sec. 459. It is the intent of the legislature that the department shall not conduct whole herd bovine TB testing on any 1 herd in a TB-free zone more often than every 4 years or re-test until all other herds in their county have been tested, unless involved in an epidemiological investigation, there is an outbreak within a 10-radius-mile area, or is not on a verified wildlife risk mitigated premises. If there is an outbreak within a 10-radius-mile area, protocols outlined by the current memorandum of understanding with the USDA shall be used.

**PESTICIDE AND PLANT PEST MANAGEMENT**

Sec. 501. The department shall report on the previous calendar year's activities of the pesticide and plant pest management division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

**ENVIRONMENTAL STEWARDSHIP**

Sec. 601. The funds appropriated in part 1 for environmental stewardship/MAEAP shall be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under part 87 of the Michigan natural resources and environmental protection act, 1994 PA 451, MCL 324.8701 to 324.8717, and technical assistance in implementing conservation grants available under the federal farm bill of 2014.

Sec. 602. The department shall report on the previous calendar year's activities of the environmental stewardship division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

Sec. 604. The department may receive and expend federal revenues in excess of the federal revenue appropriated in part 1, section 107, for environmental stewardship and MAEAP activities. The department shall notify the subcommittees and the fiscal agencies prior to expending federal revenues authorized under this section.

Sec. 608. (1) The appropriations in part 1 for qualified forest affidavit program are for the purpose of increasing the knowledge of nonindustrial private forestland owners of sound forest management practices and increasing the amount of commercial timber production from those lands.

(2) The department shall work in partnership with stakeholder groups and other state and federal agencies to increase the active management of nonindustrial private forestland to foster the growth of Michigan's timber product industry.

**LABORATORY PROGRAM**

Sec. 651. The department shall report on the previous calendar year's activities of the laboratory division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

Sec. 652. The laboratory program shall increase turnaround times in the Geagley laboratory from 30%-50% to 75%-80% and implement a risk-based inspection program on devices and package content in the consumer protection program in the current fiscal year. The purpose of these programs is to ensure the protection of consumers from economic harm due to labeling or measurement fraud and to ensure the safety of the food supply. The department will track the outcome of the program by measuring sample analysis turnaround times and the percentage of compliant measurement devices inspected in the fiscal year.

**AGRICULTURE DEVELOPMENT**

Sec. 701. (1) From the funds appropriated in part 1 for value-added grants, the department shall do both of the following:

(a) Establish and administer a competitive grant program.

(b) Establish and administer a food and agriculture investment program.

(2) Both programs established in subsection (1) shall promote the expansion of value-added agricultural production, processing, and access within the state.

(3) In addition to the funds appropriated in part 1, the department may receive and expend funds received from outside sources for the competitive grant program and the food and agricultural investment program.

(4) Grantees funded through the competitive grant program will be required to provide a cash match and identify measurable project outcomes. Eligible grantees may include, but are not limited to, individuals, partnerships, cooperatives, and private or public corporations.

(5) For the competitive grant program, a joint evaluation committee shall be selected by the director consisting of representatives that have agriculture, business, and economic development expertise. The joint evaluation committee shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.

(6) The department shall provide a year-end report on the competitive grant program no later than September 30 of the current fiscal year to the subcommittees and the fiscal agencies, which shall include a listing of the grantees, award amounts, match funding, and project outcomes.

(7) The food and agriculture investment program shall be administered by the department to provide support for food and agriculture projects that will help expand food and agriculture processing in order to enable growth in the industry and Michigan's economy. The department shall identify specific outcomes and performance metrics for each project. Prior to the allocation of funding, all projects shall receive approval from the Michigan commission of agriculture and rural development.

(8) The unexpended portion of the valued-added grants program shall be considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(9) The department may expend money from the funds appropriated in part 1 for value-added grants for administration of the program.

Sec. 702. The department shall work with the rural development fund board to establish a process and criteria for funding projects as well as establishing metrics and measurable outcomes for the program. Funds appropriated from the rural development fund shall be used in accordance with the provisions of 2012 PA 41.

Sec. 706. (1) The department shall report on the previous calendar year's activities of the agriculture development division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

(2) The report shall include the following information on any grants awarded during the prior fiscal year:

(a) The name of the grantee.

(b) The amount of the grant.

(c) The purpose of the grant, including measurable outcomes.

(d) Additional state, federal, private, or local funds contributed to the grant project.

(e) The completion date of grant-funded activities.

Sec. 709. (1) Not later than April 1 of the current fiscal year, the department shall provide a report to the subcommittees and the fiscal agencies describing the activities of the grape and wine industry council established under section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303.

(2) The report shall include all of the following:

(a) Council activities and accomplishments for the previous fiscal year.

(b) Council expenditures for the previous fiscal year by category of administration, industry support, research and education grants, and promotion and consumer education.

(c) Grants awarded during the previous fiscal year and the results of research grant projects completed during the previous fiscal year.

**FAIRS AND EXPOSITIONS**

Sec. 801. All appropriations from the agriculture equine industry development fund shall be spent on equine-related purposes. No funds from the agriculture equine industry development fund shall be expended for nonequine-related purposes without prior approval of the legislature.

Sec. 802. All appropriations from the agriculture equine industry development fund, except for the Michigan gaming control board's regulatory expenses and the department's expenses to administer horse racing programs and laboratory analysis, shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the preceding fiscal year to a level lower than the amounts appropriated in part 1.

Sec. 804. It is the intent of the legislature that the Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house of representatives appropriations subcommittees on agriculture and rural development and general government and the fiscal agencies by November 1 of the current fiscal year. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

Sec. 805. (1) The department shall establish and administer a county fairs, shows, and exhibitions grant program. The program shall have the following objectives:

(a) Assist in the promotion of building improvements or other capital improvements at county fairgrounds of the state.

(b) Provide financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in the state.

(2) The department shall award grants on a competitive basis to county fair organizations from the funds appropriated in part 1 for county fairs, shows, and exhibitions grants. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes. A county fair organization that received a county fair capital improvement grant in the prior fiscal year shall not receive a grant from the appropriation in part 1, unless otherwise designated to receive a grant within this section.

(3) From the amount appropriated in part 1 for county fairs, shows, and expositions, up to $20,000.00 shall be expended for the purpose of financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in this state.

(4) The department shall award grants for the purposes stipulated in subsection (3) on a competitive basis to persons organizing shows and expositions. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.

(5) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.

(6) From the funds appropriated in part 1, for county fairs, shows, and exhibitions grants, $60,000.00 shall be used to support capital improvements to the dairy barn at the Lenawee County fair.

(7) From the funds appropriated in part 1, for county fairs, shows, and exhibitions grants, $50,000.00 shall be used to make capital improvements to the horse judging booth at the Tuscola County fair.

(8) From the funds appropriated in part 1, for county fairs, shows, and exhibitions grants, $40,000.00 shall be used to make capital improvements to the streets within the Monroe County fairgrounds to improve handicap accessibility.

(9) The department may expend money from the funds appropriated in part 1 for the county fairs, shows, and exhibitions grants for administering the program.

(10) The unexpended portion of the county fairs, shows, and exhibitions grants is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(11) The department shall provide a year-end report on the county fairs, shows, and exhibitions grants no later than December 1, 2017 to the subcommittees and the fiscal agencies, which shall include a listing of the grantees, award amounts, match funding, and project outcomes.

PART 2A
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2017 consensus revenue estimating conference.

ARTICLE II
CAPITAL OUTLAY
PART 1
LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

Sec. 101. There is appropriated for the various state departments and agencies and capital outlay to supplement appropriations for the fiscal year ending September 30, 2016, from the following funds:

**APPROPRIATION SUMMARY**

| | | |
|---|---|---|
| GROSS APPROPRIATION | $ | 501,600 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 501,600 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 501,600 |

**Sec. 102. CAPITAL OUTLAY**

**(1) APPROPRIATION SUMMARY**

| | | |
|---|---|---|
| GROSS APPROPRIATION | $ | 501,600 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 501,600 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 501,600 |

**(2) STATE AGENCY, COMMUNITY COLLEGE, AND UNIVERSITY PLANNING AUTHORIZATIONS**

| | | |
|---|---|---|
| Central Michigan University - Center for Integrated Health Studies - for program and planning to be paid for from university resources (estimated total authorized cost $26,000,000; state share $19,500,000; university share $6,500,000) | $ | 100 |
| Eastern Michigan University - Strong Hall renovation - for program and planning to be paid for from university resources (estimated total authorized cost $39,536,000; state share $29,652,000; university share $9,884,000) | | 100 |
| Grand Valley State University - Health and Medical Sciences Laboratory and Classroom Building - for program and planning to be paid for from university resources (estimated total authorized cost $70,000,000; state share $29,000,000; university share $41,000,000) | | 100 |
| Lake Superior State University - Center for Freshwater Research and Education - for program and planning to be paid for from university resources (estimated total authorized cost $11,800,000; state share $8,850,000; university share $2,950,000) | | 100 |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| University of Michigan - Ann Arbor - School of Dentistry renovation and addition - for program and planning to be paid for from university resources (estimated total authorized cost $122,000,000; state share $30,000,000; university share $92,000,000) | $ | 100 |
| University of Michigan - Dearborn - Engineering Laboratory Building replacement - for program and planning to be paid for from university resources (estimated total authorized cost $90,000,000; state share $30,000,000; university share $60,000,000) | | 100 |
| University of Michigan - Flint - Murchie Science Building expansion - for program and planning to be paid from university resources (estimated total authorized cost $39,000,000; state share $29,250,000; university share $9,750,000) | | 100 |
| Western Michigan University - College of Aviation renovation and addition - for program and planning to be paid from university resources (estimated total authorized cost $20,000,000; state share $15,000,000; university share $5,000,000) | | 100 |
| Delta College - Saginaw Center - for program and planning to be paid for from college resources (estimated total authorized cost $12,739,000; state share $6,369,500; college share $6,369,500) | | 100 |
| Kellogg Community College - Regional Manufacturing Technology Center renovation/addition - for program and planning to be paid for from community college resources (estimated total authorized cost $4,300,000; state share $2,150,000; community college share $2,150,000) | | 100 |
| Monroe County Community College - renovation of East and West Technology Buildings - for program and planning to be paid for from community college resources (estimated total authorized cost $7,500,000; state share $3,750,000; community college share $3,750,000) | | 100 |
| Muskegon Community College - Health and Wellness Center - for program and planning to be paid for from community college resources (estimated total authorized cost $14,100,000; state share $5,640,000; community college share $8,460,000) | | 100 |
| Northwestern Michigan College - West Hall Innovation Center renovation and expansion - for program and planning to be paid for from college resources (estimated total authorized cost $14,499,400; state share $7,249,700; college share $7,249,700) | | 100 |
| Southwestern Michigan College - Nursing and Health Education Building renovation and expansion - for program and planning to be paid for from college resources (estimated total authorized cost $8,000,000; state share $4,000,000; college share $4,000,000) | | 100 |
| Department of natural resources - coolwater rearing hatchery improvements - for program and planning to be paid for from state resources (estimated total authorized cost $12,242,500; state share $12,242,500) | | 100 |
| Planning grant for department of health and human services - Caro Center modernization | | 500,000 |
| GROSS APPROPRIATION | $ | 501,500 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 501,500 |
| **(3) STATE BUILDING AUTHORITY FINANCED CONSTRUCTION AUTHORIZATIONS** | | |
| Ferris State University - Swan Building annex renovation (total authorized cost $30,000,000; state building authority share $22,499,800; university share $7,500,000; state general fund share $200) | $ | 100 |
| GROSS APPROPRIATION | $ | 100 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 100 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this part for the fiscal year ending September 30, 2016 is $501,600.00 and state appropriations paid to local units of government are $600.00.

Sec. 202. The appropriations made and expenditures authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

**CAPITAL OUTLAY**

Sec. 301. For the state building authority financed construction authorization in part 1, the legislature hereby determines that the lease of the facility from the authority is for a public purpose as authorized by 1964 PA 183, MCL 830.411 to 830.425. The legislature approves and authorizes the lease and conveyance of the property to the state building authority, the state building authority acquiring the facility and leasing it to the state and the educational institution, as applicable, and the governor and secretary of state executing the lease for and on behalf of the state pursuant to the requirements of 1964 PA 183, MCL 830.411 to 830.425. Per the requirements of the lease, it is the intent of the legislature to annually appropriate sufficient amounts to pay the rent as obligated pursuant to the lease.

ARTICLE V

DEPARTMENT OF CORRECTIONS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of corrections for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF CORRECTIONS**

APPROPRIATION SUMMARY

| | | |
|---|---|---|
| Average population | 43,655 | |
| Full-time equated unclassified positions | 16.0 | |
| Full-time equated classified positions | 13,803.9 | |
| GROSS APPROPRIATION | | $ 2,002,729,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | | $ 2,002,729,000 |
| Federal revenues: | | |
| Total federal revenues | | 5,523,700 |
| Special revenue funds: | | |
| Total local revenues | | 8,692,800 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 36,554,600 |
| State general fund/general purpose | | $ 1,951,957,900 |
| **Sec. 102. EXECUTIVE** | | |
| Full-time equated unclassified positions | 16.0 | |
| Full-time equated classified positions | 20.0 | |
| Unclassified positions—16.0 FTE positions | | $ 1,793,800 |
| Executive direction—20.0 FTE positions | | 4,208,600 |
| GROSS APPROPRIATION | | $ 6,002,400 |
| Appropriated from: | | |
| State general fund/general purpose | | $ 6,002,400 |
| **Sec. 103. PRISONER REENTRY AND COMMUNITY SUPPORT** | | |
| Full-time equated classified positions | 336.4 | |
| Prisoner reentry local service providers | | $ 13,208,600 |
| Prisoner reentry MDOC programs | | 9,624,100 |
| Prisoner reentry federal grants | | 750,000 |
| Reentry services—70.0 FTE positions | | 14,965,100 |
| Education program—266.4 FTE positions | | 37,712,800 |
| Community corrections comprehensive plans and services | | 12,158,000 |
| Felony drunk driver jail reduction and community treatment program | | 1,440,100 |
| Residential services | | 15,475,500 |
| Public safety initiative | | 4,500,000 |
| Goodwill Flip the Script | | 1,500,000 |
| GROSS APPROPRIATION | | $ 111,334,200 |
| Appropriated from: | | |
| Federal revenues: | | |
| DOJ, prisoner reintegration | | 250,000 |
| DOJ, second chance act reentry initiative | | 500,000 |
| Federal education funding | | 1,757,300 |
| Special revenue funds: | | |
| Program and special equipment fund | | 5,213,200 |
| State general fund/general purpose | | $ 103,613,700 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **Sec. 104. BUDGET AND OPERATIONS ADMINISTRATION** | | |
| Full-time equated classified positions ..... 247.0 | | |
| Budget and operations administration—185.0 FTE positions | $ | 24,696,700 |
| Prison industries operations—62.0 FTE positions | | 9,837,400 |
| New custody staff training | | 9,216,500 |
| Compensatory buyout and union leave bank | | 100 |
| Worker's compensation | | 14,171,300 |
| Rent | | 2,349,100 |
| Equipment and special maintenance | | 1,559,700 |
| Administrative hearings officers | | 3,407,100 |
| Judicial data warehouse user fees | | 50,000 |
| Sheriffs' coordinating and training office | | 100,000 |
| Prosecutorial and detainer expenses | | 5,001,000 |
| County jail reimbursement program | | 15,064,600 |
| GROSS APPROPRIATION | $ | 85,453,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| DOJ, prison rape elimination act grant | | 674,700 |
| Special revenue funds: | | |
| Jail reimbursement program fund | | 5,900,000 |
| Program and special equipment fund | | 100 |
| Local corrections officer training fund | | 100,000 |
| Correctional industries revolving fund | | 10,451,800 |
| State general fund/general purpose | $ | 68,326,900 |
| **Sec. 105. FIELD OPERATIONS ADMINISTRATION** | | |
| Full-time equated classified positions ..... 2,194.6 | | |
| Field operations—1,881.9 FTE positions | $ | 213,669,400 |
| Detroit Detention Center—63.1 FTE positions | | 8,487,400 |
| Detroit Reentry Center—216.6 FTE positions | | 27,073,900 |
| Parole board operations—33.0 FTE positions | | 3,812,000 |
| Parole/probation services | | 940,000 |
| Parole sanction certainty pilot program | | 1,440,000 |
| Supervising region incentive program | | 2,518,600 |
| Criminal justice reinvestment | | 4,573,300 |
| GROSS APPROPRIATION | $ | 262,514,600 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Local - community tether program reimbursement | | 205,400 |
| Local revenues | | 8,487,400 |
| Reentry center offender reimbursements | | 24,300 |
| Parole and probation oversight fees | | 4,428,600 |
| Parole and probation oversight fees set-aside | | 940,000 |
| Tether program participant contributions | | 2,480,900 |
| State general fund/general purpose | $ | 245,948,000 |
| **Sec. 106. CORRECTIONAL FACILITIES ADMINISTRATION** | | |
| Full-time equated classified positions ..... 318.0 | | |
| Correctional facilities administration—21.0 FTE positions | $ | 5,046,600 |
| Prison food service | | 54,455,900 |
| Transportation—211.0 FTE positions | | 24,913,200 |
| Central records—52.0 FTE positions | | 6,015,600 |
| Inmate legal services | | 790,900 |
| Housing inmates in federal institutions | | 611,000 |
| Prison store operations—34.0 FTE positions | | 3,294,200 |
| Leased beds and alternatives to leased beds | | 100 |
| Public works programs | | 1,000,000 |
| Cost-effective housing initiative | | 100 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Inmate housing fund | $ | 100 |
| GROSS APPROPRIATION | $ | 96,127,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| DOJ-BOP, federal prisoner reimbursement | | 411,000 |
| SSA-SSI, incentive payment | | 272,000 |
| Special revenue funds: | | |
| Correctional industries revolving fund | | 569,000 |
| Public works user fees | | 1,000,000 |
| Resident stores | | 3,294,200 |
| State general fund/general purpose | $ | 90,581,500 |
| **Sec. 107. HEALTH CARE** | | |
| Full-time equated classified positions ... 1,464.1 | | |
| Health care administration—21.0 FTE positions | $ | 3,690,800 |
| Prisoner health care services | | 69,880,400 |
| Vaccination program | | 691,200 |
| Interdepartmental grant to health and human services, eligibility specialists | | 100,000 |
| Mental health services and support—372.0 FTE positions | | 60,465,700 |
| Clinical complexes—1,051.1 FTE positions | | 143,622,300 |
| Hepatitis C treatment | | 14,935,000 |
| Substance abuse testing and treatment services—8.0 FTE positions | | 21,590,600 |
| Healthy Michigan plan administration—12.0 FTE positions | | 1,100,700 |
| GROSS APPROPRIATION | $ | 316,076,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues and reimbursements | | 373,700 |
| DOJ, Office of Justice Programs, RSAT | | 250,200 |
| Special revenue funds: | | |
| Prisoner health care copayments | | 257,200 |
| State general fund/general purpose | $ | 315,195,600 |
| **Sec. 108. CORRECTIONAL FACILITIES** | | |
| Average population ... 43,655 | | |
| Full-time equated classified positions ... 9,223.8 | | |
| Alger Correctional Facility - Munising—260.0 FTE positions | $ | 30,592,600 |
| Baraga Correctional Facility - Baraga—294.8 FTE positions | | 35,293,400 |
| Bellamy Creek Correctional Facility - Ionia—390.2 FTE positions | | 43,795,600 |
| Earnest C. Brooks Correctional Facility - Muskegon—440.9 FTE positions | | 50,687,600 |
| Carson City Correctional Facility - Carson City—425.4 FTE positions | | 48,491,500 |
| Central Michigan Correctional Facility - St. Louis—391.6 FTE positions | | 46,681,300 |
| Chippewa Correctional Facility - Kincheloe—435.1 FTE positions | | 50,344,100 |
| Cooper Street Correctional Facility - Jackson—263.1 FTE positions | | 29,702,000 |
| G. Robert Cotton Correctional Facility - Jackson—392.3 FTE positions | | 44,413,200 |
| Charles E. Egeler Correctional Facility - Jackson—374.6 FTE positions | | 44,425,500 |
| Richard A. Handlon Correctional Facility - Ionia—252.7 FTE positions | | 29,795,100 |
| Gus Harrison Correctional Facility - Adrian—442.6 FTE positions | | 49,366,400 |
| Ionia Correctional Facility - Ionia—286.3 FTE positions | | 33,682,200 |
| Kinross Correctional Facility - Kincheloe—268.1 FTE positions | | 33,138,100 |
| Lakeland Correctional Facility - Coldwater—279.4 FTE positions | | 33,268,200 |
| Macomb Correctional Facility - New Haven—294.8 FTE positions | | 34,622,300 |
| Marquette Branch Prison - Marquette—321.7 FTE positions | | 39,175,100 |
| Michigan Reformatory - Ionia—311.7 FTE positions | | 35,418,300 |
| Muskegon Correctional Facility - Muskegon—205.0 FTE positions | | 25,400,500 |
| Newberry Correctional Facility - Newberry—200.1 FTE positions | | 24,345,100 |
| Oaks Correctional Facility - Eastlake—290.4 FTE positions | | 34,072,200 |
| Ojibway Correctional Facility - Marenisco—203.1 FTE positions | | 23,486,000 |
| Parnall Correctional Facility - Jackson—260.0 FTE positions | | 28,374,500 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Saginaw Correctional Facility - Freeland—274.9 FTE positions | $ | 32,909,600 |
| Special Alternative Incarceration Program - Cassidy Lake—119.0 FTE positions | | 13,733,700 |
| St. Louis Correctional Facility - St. Louis—303.6 FTE positions | | 36,687,100 |
| Thumb Correctional Facility - Lapeer—283.6 FTE positions | | 32,997,500 |
| Womens Huron Valley Correctional Complex - Ypsilanti—501.9 FTE positions | | 59,117,400 |
| Woodland Correctional Facility - Whitmore Lake—284.9 FTE positions | | 33,272,600 |
| Future facility | | 100 |
| Northern region administration and support—48.0 FTE positions | | 5,551,100 |
| Southern region administration and support—124.0 FTE positions | | 24,098,000 |
| GROSS APPROPRIATION | $ | 1,086,937,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| DOJ, state criminal alien assistance program | | 1,034,800 |
| Special revenue funds: | | |
| State restricted revenues and reimbursements | | 102,100 |
| State general fund/general purpose | $ | 1,085,801,000 |
| **Sec. 109. INFORMATION TECHNOLOGY** | | |
| Information technology services and projects | $ | 28,813,300 |
| GROSS APPROPRIATION | $ | 28,813,300 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Correctional industries revolving fund | | 177,100 |
| Parole and probation oversight fees set-aside | | 694,800 |
| Program and special equipment fund | | 440,000 |
| State general fund/general purpose | $ | 27,501,400 |
| **Sec. 110. ONE-TIME APPROPRIATIONS** | | |
| New custody staff training | $ | 8,506,100 |
| Ballistic vests | | 481,300 |
| Supervising region incentive program | | 481,300 |
| GROSS APPROPRIATION | $ | 9,468,700 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Program and special equipment fund | | 481,300 |
| State general fund/general purpose | $ | 8,987,400 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $1,988,512,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is $111,888,200.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS

| | | |
|---|---|---|
| Field operations - assumption of county probation staff | $ | 61,749,900 |
| Community corrections comprehensive plans and services | | 12,158,000 |
| Reentry services – intensive detention reentry program | | 1,500,000 |
| Residential services | | 15,475,500 |
| County jail reimbursement program | | 15,064,600 |
| Felony drunk driver jail reduction and community treatment program | | 1,440,100 |
| Leased beds and alternatives to leased beds | | 100 |
| Public safety initiative | | 4,500,000 |
| TOTAL | $ | 111,888,200 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Administrative segregation" means confinement for maintenance of order or discipline to a cell or room apart from accommodations provided for inmates who are participating in programs of the facility.

(b) "Cost per prisoner" means the sum total of the funds appropriated under part 1 for the following, divided by the projected prisoner population in fiscal year 2016-2017:

(*i*) Correctional facilities.

(*ii*) Northern and southern region administration and support.

(*iii*) Clinical and mental health services and support.

(*iv*) Prisoner health care services.

(*v*) Vaccination program.

(*vi*) Prison food service.

(*vii*) Transportation.

(*viii*) Inmate legal services.

(*ix*) Correctional facilities administration.

(*x*) Central records.

(*xi*) Worker's compensation.

(*xii*) New custody staff training.

(*xiii*) Prison store operations.

(*xiv*) Education program.

(c) "Department" or "MDOC" means the Michigan department of corrections.

(d) "DOJ" means the United States Department of Justice.

(e) "DOJ-BOP" means the DOJ Bureau of Prisons.

(f) "EPIC program" means the department's effective process improvement and communications program.

(g) "Evidence-based practices" or "EBP" means a decision-making process that integrates the best available research, clinician expertise, and client characteristics.

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

(i) "Goal" means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce repeat offending, criminogenic and high-risk behaviors, prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.

(j) "IDG" means interdepartmental grant.

(k) "Jail" means a facility operated by a local unit of government for the physical detention and correction of persons charged with or convicted of criminal offenses.

(*l*) "MDHHS" means the Michigan department of health and human services.

(m) "MDSP" means the Michigan department of state police.

(n) "Medicaid benefit" means a benefit paid or payable under a program for medical assistance under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

(o) "Objective risk and needs assessment" means an evaluation of an offender's criminal history; the offender's noncriminal history; and any other factors relevant to the risk the offender would present to the public safety, including, but not limited to, having demonstrated a pattern of violent behavior, and a criminal record that indicates a pattern of violent offenses.

(p) "OCC" means office of community corrections.

(q) "Offender eligibility criteria" means particular criminal violations, state felony sentencing guidelines descriptors, and offender characteristics developed by advisory boards and approved by local units of government that identify the offenders suitable for community corrections programs funded through the office of community corrections.

(r) "Offender success" means that an offender has, with the support of the community, intervention of the field agent, and benefit of any participation in programs and treatment, made an adjustment while at liberty in the community such that he or she has not been sentenced to or returned to prison for the conviction of a new crime or the revocation of probation or parole.

(s) "Offender target populations" means felons or misdemeanants who would likely be sentenced to imprisonment in a state correctional facility or jail, who would not likely increase the risk to the public safety based on an objective risk and needs assessment that indicates that the offender can be safely treated and supervised in the community.

(t) "Offender who would likely be sentenced to imprisonment" means either of the following:

(*i*) A felon or misdemeanant who receives a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail, according to historical local sentencing patterns.

(*ii*) A currently incarcerated felon or misdemeanant who is granted early release from incarceration to a community corrections program or who is granted early release from incarceration as a result of a community corrections program.

(u) "Programmatic success" means that the department program or initiative has ensured that the offender has accomplished all of the following:

(*i*) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.

(*ii*) Obtained housing.

(*iii*) Obtained a state identification card.

(v) "Recidivism" means the return of an individual to prison within 3 years after he or she is released either with a new sentence to prison or as a technical violator of parole conditions.

(w) "RSAT" means residential substance abuse treatment.

(x) "Serious emotional disturbance" means that term as defined in section 100d(2) of the mental health code, 1974 PA 328, MCL 330.1100d.

(y) "Serious mental illness" means that term as defined in section 100d(3) of the mental health code, 1974 PA 328, MCL 330.1100d.

(z) "SSA" means the United States Social Security Administration.

(aa) "SSA-SSI" means SSA supplemental security income.

Sec. 206. The department shall not take disciplinary action against an employee or a prisoner for communicating with a member of the legislature or his or her staff.

Sec. 208. The department shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, union steward activities, and public works programs and services provided to local units of government or private nonprofit organizations. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

Sec. 212. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, and the senate and house fiscal agencies. This report shall include a detailed accounting of the long-term vacancies that exist within each department. As used in this subsection, "long-term vacancy" means any full-time equated position that has not been filled at any time during the past 24 calendar months.

Sec. 214. The department shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 216. The department shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 219. (1) Any contract for prisoner telephone services entered into after the effective date of this section shall include a condition that fee schedules for prisoner telephone calls, including rates and any surcharges other than those necessary to meet program and special equipment costs, be the same as fee schedules for calls placed from outside of correctional facilities.

(2) Revenues appropriated and collected for program and special equipment funds shall be considered state restricted revenue. Funding shall be used for prisoner programming, special equipment, and security projects. Unexpended funds remaining at the close of the fiscal year shall not lapse to the general fund but shall be carried forward and be available for appropriation in subsequent fiscal years.

(3) The department shall submit a report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director by February 1 outlining revenues and expenditures from program and special equipment funds. The report shall include all of the following:

(a) A list of all individual projects and purchases financed with program and special equipment funds in the immediately preceding fiscal year, the amounts expended on each project or purchase, and the name of each vendor the products or services were purchased from.

(b) A list of planned projects and purchases to be financed with program and special equipment funds during the current fiscal year, the amounts to be expended on each project or purchase, and the name of each vendor for which the products or services were purchased.

(c) A review of projects and purchases planned for future fiscal years from program and special equipment funds.

Sec. 220. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 221. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the chairpersons of the senate and house appropriations committees, the chairpersons of the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2016 and September 30, 2017.

Sec. 230. Funds appropriated in part 1 shall not be used by the department to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 231. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 239. It is the intent of the legislature that the department establish and maintain a management-to-staff ratio of not more than 1 supervisor for each 8 employees at the department's central office in Lansing and at both the northern and southern region administration offices.

Sec. 246. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $337,858,200.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $187,327,100.00. Total department appropriations for retiree health care legacy costs are estimated at $150,531,100.00.

**EXECUTIVE**

Sec. 301. For 3 years after a felony offender is released from the department's jurisdiction, the department shall maintain the offender's file on the offender tracking information system and make it publicly accessible in the same manner as the file of the current offender. However, the department shall immediately remove the offender's file from the offender tracking information system upon determination that the offender was wrongfully convicted and the offender's file is not otherwise required to be maintained on the offender tracking information system.

Sec. 304. The department shall maintain a staff savings initiative program in conjunction with the EPIC program for employees to submit suggestions for efficiencies for the department. The department shall consider each suggestion in a timely manner. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on process improvements that were implemented based on suggestions that were recommended for implementation from the staff savings initiative and EPIC programs.

**PRISONER REENTRY AND COMMUNITY SUPPORT**

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates concurrent with submission of the executive budget recommendation to the senate and house appropriations subcommittees on corrections,

the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director. The report shall include explanations of the methodology and assumptions used in developing the projection updates.

Sec. 402. By March 1, the department shall provide a report on prisoner reentry expenditures and allocations to the members of the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director. At a minimum, the report shall include information on both of the following:

(a) Details on prior-year expenditures, including amounts spent on each project funded, itemized by service provided and service provider.

(b) Allocations and planned expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider. The department shall provide an amended report quarterly, if any revisions to allocations or planned expenditures occurred during that quarter.

Sec. 405. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender success and programmatic success.

Sec. 407. By June 30, the department shall place the statistical report from the immediately preceding calendar year on an Internet site. The statistical report shall include, but not be limited to, the information as provided in the 2004 statistical report.

Sec. 408. The department shall measure the recidivism rates of offenders.

Sec. 409. (1) The department shall engage with the talent investment agency within the department of talent and economic development and local entities to design services and shall use appropriations provided in part 1 for reentry and vocational education programs. The department shall ensure that the collaboration provides relevant professional development opportunities to prisoners to ensure that the programs are high quality, demand driven, locally receptive, and responsive to the needs of communities where the prisoners are expected to reside after their release from correctional facilities. The programs shall begin upon the intake of the prisoner into a department facility.

(2) It is the intent of the legislature that the workforce development programming continue through the entire duration of the prisoner's incarceration to encourage employment upon release.

(3) By March 1, the department shall provide a report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, and the senate and house fiscal agencies detailing the results of the workforce development program.

Sec. 410. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that enhance offender success and that also may serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

(a) Reduce admissions to prison of offenders who would likely be sentenced to imprisonment, including probation violators.

(b) Improve the appropriate utilization of jail facilities, the first priority of which is to open jail beds intended to house otherwise prison-bound felons, and the second priority being to appropriately utilize jail beds so that jail crowding does not occur.

(c) Open jail beds through the increase of pretrial release options.

(d) Reduce the readmission to prison of parole violators.

(e) Reduce the admission or readmission to prison of offenders, including probation violators and parole violators, for substance abuse violations.

(f) Contribute to offender success.

(2) The award of community corrections comprehensive plans and residential services funds shall be based on criteria that include, but are not limited to, the prison commitment rate by category of offenders, trends in prison commitment rates and jail utilization, historical trends in community corrections program capacity and program utilization, and the projected impact and outcome of annual policies and procedures of programs on offender success, prison commitment rates, and jail utilization.

(3) Funds awarded for residential services in part 1 shall provide for a per diem reimbursement of not more than $47.50 for nonaccredited facilities, or of not more than $48.50 for facilities that have been accredited by the American Corrections Association or a similar organization as approved by the department.

Sec. 411. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential services, the special alternative incarceration program, probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives

and priorities of the comprehensive corrections plans and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408, that contribute to the success of offenders. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and use the county jail reimbursement program under section 414. The state community corrections board shall encourage local community corrections advisory boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the MDHHS for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders.

Sec. 412. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

(a) Approved technical assistance grants and comprehensive corrections plans including each program and level of funding, the utilization level of each program, and profile information of enrolled offenders.

(b) If federal funds are made available, the number of participants funded, the number served, the number successfully completing the program, and a summary of the program activity.

(c) Status of the community corrections information system and the jail population information system.

(d) Data on residential services, including participant data, participant sentencing guideline scores, program expenditures, average length of stay, and bed utilization data.

(e) Offender disposition data by sentencing guideline range, by disposition type, by prior record variable score, by number and percent statewide and by county, current year, and comparisons to the previous 3 years.

(f) Data on the use of funding made available under the felony drunk driver jail reduction and community treatment program.

(2) The report required under subsection (1) shall include the total funding allocated, program expenditures, required program data, and year-to-date totals.

Sec. 413. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, jail-based probation violation sanctions, and all state-required jail data.

(2) The department is responsible for the collection, analysis, and reporting of all state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide necessary jail data to the department.

Sec. 414. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails certain felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for convicted felons in the custody of the sheriff if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(a) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H or a nonperson crime in crime class F under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months under the sentencing guidelines described in subdivision (a).

(c) The felon was sentenced to jail for a felony committed while he or she was on parole and under the jurisdiction of the parole board and for which the sentencing guidelines recommended range for the minimum sentence has an upper limit of more than 18 months.

(3) State reimbursement under this subsection shall be $65.00 per diem per diverted offender for offenders with a presumptive prison guideline score, $55.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 1 crime, and $40.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 2 crime. Reimbursements shall be paid for sentences up to a 1-year total.

(4) As used in this subsection:

(a) "Group 1 crime" means a crime in 1 or more of the following offense categories: arson, assault, assaultive other, burglary, criminal sexual conduct, homicide or resulting in death, other sex offenses, robbery, and weapon possession as determined by the department of corrections based on specific crimes for which counties received reimbursement under the county jail reimbursement program in fiscal year 2007 and fiscal year 2008, and listed in the county jail reimbursement program document titled "FY 2007 and FY 2008 Group One Crimes Reimbursed", dated March 31, 2009.

(b) "Group 2 crime" means a crime that is not a group 1 crime, including larceny, fraud, forgery, embezzlement, motor vehicle, malicious destruction of property, controlled substance offense, felony drunk driving, and other nonassaultive offenses.

(c) "In the custody of the sheriff" means that the convicted felon has been sentenced to the county jail and is either housed in the county jail or has been released from jail and is being monitored through the use of the sheriff's electronic monitoring system.

(5) County jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. By October 15, the department shall distribute the documentation requirements to all counties.

(6) Any county that receives funding under this section for the purpose of housing in jails certain felons who otherwise would have been sentenced to prison shall, as a condition of receiving the funding, report by September 30 an annual average jail capacity and annual average jail occupancy for the immediately preceding fiscal year.

Sec. 416. Allowable uses of felony drunk driver jail reduction and community treatment program funding shall include reimbursing counties for transportation, treatment costs, and housing felony drunk drivers during a period of assessment for treatment and case planning. Reimbursements for housing during the assessment process shall be at the rate of $43.50 per day per offender, up to a maximum of 5 days per offender.

Sec. 417. (1) By March 1, the department shall report to the members of the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on each of the following programs from the previous fiscal year:

(a) The county jail reimbursement program.

(b) The felony drunk driver jail reduction and community treatment program.

(c) Any new initiatives to control prison population growth funded or proposed to be funded under part 1.

(2) For each program listed under subsection (1), the report shall include information on each of the following:

(a) Program objectives and outcome measures, including, but not limited to, the number of offenders who successfully completed the program, and the number of offenders who successfully remained in the community during the 3 years following termination from the program.

(b) Expenditures by location.

(c) The impact on jail utilization.

(d) The impact on prison admissions.

(e) Other information relevant to an evaluation of the program.

Sec. 418. (1) The department shall collaborate with the state court administrative office on facilitating changes to Michigan court rules that would require the court to collect at the time of sentencing the state operator's license, state identification card, or other documentation used to establish the identity of the individual to be admitted to the department. The department shall maintain those documents in the prisoner's personal file.

(2) The department shall cooperate with MDHHS to create and maintain a process by which prisoners can obtain their Michigan birth certificates if necessary. The department shall describe a process for obtaining birth certificates from other states, and in situations where the prisoner's effort fails, the department shall assist in obtaining the birth certificate.

(3) The department shall collaborate with the department of military and veterans affairs to create and maintain a process by which prisoners can obtain a copy of their DD Form 214 or other military discharge documentation if necessary.

Sec. 419. (1) The department shall provide weekly electronic mail reports to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on prisoner populations by security levels by facility, prison facility capacities, and parolee and probationer populations.

(2) The department shall provide monthly electronic mail reports to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director. The reports shall include information on end-of-month prisoner populations in county jails, the net operating capacity according to the most recent certification report, identified by date, and end-of-month data, year-to-date data, and comparisons to the prior year for the following:

(a) Community residential program populations, separated by centers and electronic monitoring.

(b) Parole populations.

(c) Probation populations, with identification of the number in special alternative incarceration.

(d) Prison and camp populations, with separate identification of the number in special alternative incarceration and the number of lifers.

(e) Prisoners classified as past their earliest release date.

(f) Parole board activity, including the numbers and percentages of parole grants and parole denials.

(g) Prisoner exits, identifying transfers to community placement, paroles from prisons and camps, paroles from community placement, total movements to parole, prison intake, prisoner deaths, prisoners discharging on the maximum sentence, and other prisoner exits.

(h) Prison intake and returns, including probation violators, new court commitments, violators with new sentences, escaper new sentences, total prison intake, returns from court with additional sentences, community placement returns, technical parole violator returns, and total returns to prison and camp.

Sec. 421. (1) Funds appropriated in part 1 for the parole sanction certainty pilot program shall be distributed to an American Correctional Association accredited rehabilitation organization operating in any of the following counties: Berrien, Calhoun, Genesee, Kalamazoo, Kent, Macomb, Muskegon, Oakland, Saginaw, and Wayne for operations and administration of the pilot program. The pilot program may be utilized as a condition of parole for technical parole violators to ensure public safety and justice through a program based on evidence-based tactics and programs.

(2) The program or programs selected shall report by March 30 to the department, the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director. The report shall include program performance measurements, the number of individuals who participate in the pilot program, the number of individuals who return to prison after participating, and outcomes of participants who complete the program.

Sec. 422. (1) On a quarterly basis, the department shall issue a report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the legislative corrections ombudsman, for the previous 4 quarters detailing the outcomes of prisoners who have been reviewed for parole. The report shall include all of the following:

(a) How many prisoners in each quarter were reviewed.

(b) How many prisoners were granted parole.

(c) How many prisoners were denied parole.

(d) How many parole decisions were deferred.

(e) The distribution of the total number of prisoners reviewed during that quarter grouped by whether the prisoner had been interviewed for the first, second, third, fourth, fifth, sixth, or more than sixth time.

(f) The number of paroles granted, denied, or deferred for each of the parole guideline scores of low, average, and high.

(g) The reason for denying or deferring parole.

Sec. 425. (1) From the funds appropriated in part 1, the department shall establish a medication-assisted treatment reentry pilot program to provide prerelease treatment and postrelease referral for opioid-addicted and alcohol-addicted offenders who voluntarily participate in the medication-assisted treatment reentry pilot program. The department shall collaborate with residential and nonresidential substance abuse treatment providers and with community-based clinics to provide postrelease treatment. The program shall employ a multifaceted approach to treatment, including a long-acting nonaddictive medication approved by the Food and Drug Administration for the treatment of opioid and alcohol dependence, counseling, and postrelease referral to community-based providers.

(2) The manufacturer of a long-acting nonaddictive medication approved by the Food and Drug Administration for opioid and alcohol dependence shall provide the department with samples of the medication, at no cost to the department, during the duration of the medication-assisted treatment reentry pilot program. Offenders shall receive 1 injection prior to being released from custody and shall be connected with an aftercare plan and assistance with obtaining insurance to cover subsequent injections.

(3) Participants of the program shall be required to attend substance abuse treatment programming as directed by their agent, shall be subject to routine drug and alcohol testing, shall not be allowed to consume drugs or alcohol, and shall possess a strong will to overcome addiction.

(4) The department shall submit a report by September 30 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director on the number of offenders who received injections upon release, the number of offenders who received injections and tested positive for drugs or alcohol, the number of offenders who received injections in the community for a duration of at least 3 months, and the number of offenders who received injections and were subsequently returned to prison.

Sec. 437. (1) Funds appropriated in part 1 for Goodwill Flip the Script shall be distributed to a Michigan-chartered 501(c)(3) nonprofit corporation operating in a county with greater than 1,500,000 people for administration and expansion of a program which serves a population of persons aged 16 to 29. The program shall target those who are entering the criminal justice system for the first or second time and shall assist those individuals through the following program types:

(a) Alternative sentencing programs in partnership with a local district or circuit court.

(b) Educational recovery for special adult populations with high rates of illiteracy.

(c) Career development and continuing education for women.

(2) The program selected shall report by March 30 to the department, the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director. The report shall include program performance measurements, the number of individuals diverted from incarceration, the number of individuals served, and outcomes of participants who complete the program.

**BUDGET AND OPERATIONS ADMINISTRATION**

Sec. 501. From the funds appropriated in part 1 for prosecutorial and detainer expenses, the department shall reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

Sec. 502. Funds included in part 1 for the sheriffs' coordinating and training office are appropriated for and may be expended to defray costs of continuing education, certification, recertification, decertification, and training of local corrections officers, the personnel and administrative costs of the sheriffs' coordinating and training office, the local corrections officers advisory board, and the sheriffs' coordinating and training council under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Sec. 503. The department shall issue a biannual report for all vendor contracts to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the legislative corrections ombudsman. The report shall cover the previous 4 quarters and include all of the following:

(a) The original start date and the current expiration date of each contract.

(b) The number, if any, of site visits completed by the department for each vendor.

(c) The number and amount of fines, if any, for service-level agreement noncompliance for each vendor broken down by area of noncompliance.

Sec. 505. The department shall provide for the training of all custody staff in effective and safe ways of handling prisoners with mental illness and referring prisoners to mental health treatment programs. Mental health awareness training shall be incorporated into the training of new custody staff.

Sec. 508. The department shall issue a report for all correctional facilities to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the legislative corrections ombudsman by January 1 setting forth the following information for each facility: its name, street address, and date of construction; its current maintenance costs; any maintenance planned; its current utility costs; its expected future capital improvement costs; the current unspent balance of any authorized capital outlay projects, including the original authorized amount; and its expected future useful life.

Sec. 511. (1) By February 1, the department shall provide a report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director which details the strategic plan of the department. The report shall contain strategies to decrease the overall recidivism rate, measurable plans to increase the rehabilitative function of correctional facilities, metrics to track and ensure prisoner readiness to re-enter society, and constructive actions for providing prisoners with life skills development.

(2) The intent of this report is to express that the mission of the department is to provide an action plan before reentry to society that ensures prisoners' readiness for meeting parole requirements and ensures a reduction in the total number of released inmates who reenter the criminal justice system.

**FIELD OPERATIONS ADMINISTRATION**

Sec. 601. (1) From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The complete audit shall be submitted to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget office by March 1.

(2) It is the intent of the legislature that the department maintain a number of field agents sufficient to meet supervision and workload standards.

Sec. 602. The funds appropriated in part 1 for the supervising region incentive program shall be used only to fund an incentive program for field operations administration regions in accordance with the supervising region incentive act.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the curfew monitoring program shall reimburse the department for costs associated with their participation in the program. The department may require community service work reimbursement as a means of payment for those able-bodied individuals unable to pay for the costs of the equipment.

(2) Program participant contributions and local program reimbursement for the curfew monitoring program appropriated in part 1 are related to program expenditures and may be used to offset expenditures for this purpose.

(3) Included in the appropriation in part 1 is adequate funding to implement the curfew monitoring program to be administered by the department. The curfew monitoring program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's curfew monitoring program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the curfew monitor units throughout the state based upon locally developed comprehensive corrections plans under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(4) For a fee determined by the department, the department shall provide counties with the curfew monitor equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for curfew monitor equipment installation and service. For an additional fee as determined by the department, the department shall provide staff to install and service the equipment. Counties are responsible for the coordination and apprehension of program violators.

(5) Any county with curfew monitor charges outstanding over 60 days shall be considered in violation of the community curfew monitor program agreement and lose access to the program.

Sec. 604. The funds appropriated in part 1 for criminal justice reinvestment shall be used only to fund evidence-based programs designed to reduce recidivism among probationers and parolees.

Sec. 611. The department shall prepare by March 1 individual reports for the community reentry program, the electronic monitoring program, and the special alternative to incarceration program. The reports shall be submitted to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director. Each program's report shall include information on all of the following:

(a) Monthly new participants by type of offender. Community reentry program participants shall be categorized by reason for placement. For technical rule violators, the report shall sort offenders by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(b) Monthly participant unsuccessful terminations, including cause.

(c) Number of successful terminations.

(d) End month population by facility/program.

(e) Average length of placement.

(f) Return to prison statistics.

(g) Description of each program location or locations, capacity, and staffing.

(h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.

(i) Comparison with prior year statistics.

(j) Analysis of the impact on prison admissions and jail utilization and the cost effectiveness of the program.

Sec. 612. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) By April 1, the department shall provide a report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence during the preceding fiscal year. The report shall include the following information for probationers, for parolees after their first parole, and for parolees who have been paroled more than once:

(a) The numbers of parole and probation violators returned to or sent to prison for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

(b) The numbers of parole and probation violators returned to or sent to prison for a technical violation and the type of violation, including, but not limited to, zero gun tolerance and substance abuse violations. For parole technical rule violators, the report shall list violations by type, by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(c) The educational history of those offenders, including how many had a high school equivalency or high school diploma prior to incarceration in prison, how many received a high school equivalency while in prison, and how many received a vocational certificate while in prison.

(d) The number of offenders who participated in the reentry program versus the number of those who did not.

(e) The unduplicated number of offenders who participated in substance abuse treatment programs, mental health treatment programs, or both, while in prison, itemized by diagnosis.

Sec. 615. (1) The department shall submit a report detailing the number of prisoners who have received life imprisonment sentences with the possibility of parole and who are currently eligible for parole to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director by April 30.

(2) The report shall include the following information on parolable lifers who have served more than 25 years: prisoner name, MDOC identification number, prefix, offense for which life term is being served, county of conviction, age at time offense was committed, current age, race, gender, true security classification, dates of parole board file reviews, dates of parole board interviews, parole guideline scores, and reason for decision not to release.

Sec. 616. The parole board shall review its policies related to the review and parole of those offenders serving a parolable life sentence with consideration given to those that do not pose an ongoing risk to society.

**HEALTH CARE**

Sec. 802. As a condition of expenditure of the funds appropriated in part 1, the department shall provide the senate and house of representatives appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director with quarterly reports on physical and mental health care detailing quarterly and fiscal year-to-date expenditures itemized by vendor, allocations, status of payments from contractors to vendors, and projected year-end expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment.

Sec. 803. (1) The department shall assure that all prisoners, upon any health care treatment, are given the opportunity to sign a release of information form designating a family member or other individual to whom the department shall release records information regarding a prisoner. A release of information form signed by a prisoner shall remain in effect for 1 year, and the prisoner may elect to withdraw or amend the release form at any time.

(2) The department shall assure that any such signed release forms follow a prisoners upon transfer to another department facility or to the supervision of a parole officer.

(3) The form shall be placed online, on a public website managed by the department.

Sec. 804. The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on prisoner health care utilization. The report shall include the number of inpatient hospital days, outpatient visits, emergency room visits, and prisoners receiving off-site inpatient medical care in the previous quarter, by facility.

Sec. 806. From the funds appropriated in part 1 for mental health services and support, the department shall expand its mental health treatment and sex offender treatment programs. The purpose of this enhancement is to address increased caseloads, reduce the number of prisoners on the waiting list who are past their earliest release date, and reduce the percentage of prisoners readmitted to mental health programs at their previous level of care.

Sec. 807. The funds appropriated in part 1 for Hepatitis C treatment shall be used only to purchase specialty medication for Hepatitis C treatment in the prison population. In addition to the above appropriation, any rebates received from the medications used shall be used only to purchase specialty medication for Hepatitis C treatment. On a quarterly basis, the department shall issue a report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the legislative corrections ombudsman, showing for the previous 4 quarters the total amount spent on specialty medication for the treatment of Hepatitis C, the number of prisoners that were treated, the amount of any rebates that were received from the purchase of specialty medication, and what outstanding rebates are expected to be received.

Sec. 812. (1) The department shall provide the department of health and human services with a monthly list of prisoners newly committed to the department of corrections. The department and the department of health and human services shall enter into an interagency agreement under which the department of health and human services provides the department of corrections with monthly lists of newly committed prisoners who are eligible for Medicaid benefits in order to maintain the process by which Medicaid benefits are suspended rather than terminated. The department shall assist prisoners who may be eligible for Medicaid benefits after release from prison with the Medicaid enrollment process prior to release from prison.

(2) The department shall provide the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director with quarterly updates on the utilization of Medicaid benefits for prisoners.

Sec. 816. By April 1, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the state budget director, and the legislative corrections ombudsman with a report on pharmaceutical expenditures and prescribing practices. In particular, the report shall provide the following information:

(a) A detailed accounting of expenditures on antipsychotic medications.

(b) Any changes that have been made to the prescription drug formularies.

**CORRECTIONAL FACILITIES ADMINISTRATION**

Sec. 901. The department, working with the department of technology, management, and budget, shall determine the costs of entering into an agreement to lease or purchase a private correctional facility to be operated by the department, as well as the costs of reopening a closed correctional facility already owned by the department to determine if it would be in the best interest of the citizens of this state to house prisoners in a private correctional facility leased or purchased and operated by the department, or a closed correctional facility owned by the department that the department reopens, rather than in a correctional facility currently operated by the department. By October 15, the department shall issue a report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director that documents the acquisition, lease, reopening, and modernization costs, and taxes, utilities, expected future capital repair, and upgrades of the correctional facilities described in this section.

Sec. 902. From the funds appropriated in part 1 for the education program, the department shall use $2,000,000.00 to expand the vocational village program.

Sec. 904. The department shall calculate the per prisoner/per day cost for each prisoner security custody level. This calculation shall include all actual direct and indirect costs for the previous fiscal year, including, but not limited to, the value of services provided to the department by other state agencies and the allocation of statewide legacy costs. To calculate the per prisoner/per day costs, the department shall divide these direct and indirect costs by the average daily population for each custody level. For multilevel facilities, the indirect costs that cannot be accurately allocated to each custody level can be included in the calculation on a per-prisoner basis for each facility. A report summarizing these calculations and the direct and indirect costs included in them shall be submitted to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director not later than December 15.

Sec. 906. Any local unit of government or private nonprofit organization that contracts with the department for public works services shall be responsible for financing the entire cost of such an agreement.

Sec. 907. The department shall report by March 1 to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on academic and vocational programs. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, all of the following:

(a) The number of instructors and the number of instructor vacancies, by program and facility.

(b) The number of prisoners enrolled in each program, the number of prisoners completing each program, the number of prisoners who do not complete each program and are not subsequently reenrolled, and the reason for not completing the program, the number of prisoners transferred to another facility while enrolled in a program and the reason for transfer, the number of prisoners enrolled who are repeating the program, and the number of prisoners on waiting lists for each program, all itemized by facility.

(c) The steps the department has undertaken to improve programs, track records, accommodate transfers and prisoners with health care needs, and reduce waiting lists.

(d) The number of prisoners paroled without a high school diploma and the number of prisoners paroled without a high school equivalency.

(e) An explanation of the value and purpose of each program, for example, to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.

(f) An identification of program outcomes for each academic and vocational program.

(g) The number of prisoners not paroled at their earliest release date due to lack of a high school equivalency, and the reason those prisoners have not obtained a high school equivalency.

Sec. 908. From the funds appropriated in part 1, the department shall explore the feasibility of establishing an online career high school education pilot program, or other alternatives to providing prisoners with a high school diploma in lieu of a high school equivalency. The department shall explore establishing outside partnerships to assist the department with providing high school diplomas. The department shall submit a report by December 1 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director that describes the necessary steps the department would have to take, the resources the department would need, and departmental organizational changes that would be required, and the feasibility of the department's forming outside partnerships to assist with providing prisoners with a high school diploma in lieu of a high school equivalency.

Sec. 909. From the funds appropriated in part 1, the department shall focus on providing career-based educational programming for prisoners, to include vocational trade programs and employment readiness programs.

Sec. 910. The department shall allow the Michigan Braille transcribing fund program to operate at its current location. The donation of the building by the Michigan Braille transcribing fund at the G. Robert Cotton Correctional Facility in Jackson is acknowledged and appreciated. The department shall continue to encourage the Michigan Braille transcribing fund program to produce high-quality materials for use by the visually impaired.

Sec. 911. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults, escape attempts, suicides, and attempted suicides occurring each month at each facility during the immediately preceding calendar year.

Sec. 912. The department shall report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director by March 1 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 913. (1) From the funds appropriated in part 1, the department shall focus on providing required programming to prisoners who are past their earliest release date because of not having received the required programming. Programming includes, but is not limited to, violence prevention programming, assaultive offender programming, sexual offender programming, substance abuse treatment programming, thinking for a change programming, and any other programming that is required as a condition of parole.

(2) It is the intent of the legislature that any prisoner required to complete a violence prevention program, sexual offender program, or other program as a condition of parole shall be placed on a waiting list for the appropriate programming upon entrance to prison and transferred to a facility where that program is available in order to accomplish timely completion of that program prior to the expiration of his or her minimum sentence and eligibility for parole. Nothing in this section should be deemed to make parole denial appealable in court.

(3) The department shall submit a quarterly report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the state budget director, and the legislative corrections ombudsman detailing enrollment in sex offender programming, assaultive offender programming, violent offender programming, and thinking for change. At a minimum, the report shall include the following:

(a) A full accounting, from the date of entrance to prison, of the number of individuals who are required to complete the programming, but have not yet done so.

(b) The number of individuals who have reached their earliest release date, but who have not completed required programming.

(c) A plan of action for addressing any waiting lists or backlogs for programming that may exist.

Sec. 924. The department shall evaluate all prisoners at intake for substance abuse disorders, serious developmental disorders, serious mental illness, and other mental health disorders. Prisoners with serious mental illness or serious developmental disorders shall not be removed from the general population as a punitive response to behavior caused by their serious mental illness or serious developmental disorder. Due to persistent high violence risk or severe disruptive behavior that is unresponsive to treatment, prisoners with serious mental illness or serious developmental disorders may be placed in secure residential housing programs that will facilitate access to institutional programming and ongoing mental health services. A prisoner with serious mental illness or serious developmental disorder who is confined in these specialized housing programs shall be evaluated or monitored by a medical professional at a frequency of not less than every 12 hours.

Sec. 925. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director on the annual number of prisoners in administrative segregation between October 1, 2015 and September 30, 2016, and the annual number of prisoners in administrative segregation between October 1, 2015 and September 30, 2016 who at any time during the current or prior prison term were diagnosed with serious mental illness or have a developmental disorder and the number of days each of the prisoners with serious mental illness or a developmental disorder have been confined to administrative segregation.

Sec. 929. From the funds appropriated in part 1, the department shall do all of the following:

(a) Ensure that any inmate care and control staff in contact with prisoners less than 18 years of age are adequately trained with regard to the developmental and mental health needs of prisoners less than 18 years of age. By April 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the training curriculum used and the number and types of staff receiving annual training under that curriculum.

(b) Provide appropriate placement for prisoners less than 18 years of age who have serious mental illness, serious emotional disturbance, or a serious developmental disorder and need to be housed separately from the general population. Prisoners less than 18 years of age who have serious mental illness, serious emotional disturbance, or a serious developmental disorder shall not be removed from an existing placement as a punitive response to behavior caused by their serious mental illness, serious emotional disturbance, or a serious developmental disorder. Due to persistent high violence risk or severe disruptive behavior that is unresponsive to treatment, prisoners less than 18 years of age with serious emotional disturbance, serious mental illness, or serious developmental disorders may be placed in secure residential housing programs that will facilitate access to institutional programming and ongoing mental health services. A prisoner less than 18 years of age with serious mental illness, serious emotional disturbance, or a serious developmental disorder who is confined in these specialized housing programs shall be evaluated or monitored by a medical professional at a frequency of not less than every 12 hours.

(c) Implement a specialized reentry program that recognizes the needs of prisoners less than 18 years old for supervised reentry.

Sec. 937. The department shall not issue a request for proposal (RFP) for a contract in excess of $5,000,000.00, unless the department has first considered issuing a request for information (RFI) or a request for qualification (RFQ) relative to that contract to better enable the department to learn more about the market for the products or services that are the subject of the future RFP. The department shall notify the department of technology, management, and budget of the evaluation process used to determine if an RFI or RFQ was not necessary prior to issuing the RFP.

Sec. 940. (1) Any lease, rental, contract, or other legal agreement that includes a provision allowing a private person or entity to use state-owned facilities or other property to conduct a for-profit business enterprise shall require the lessee to pay fair market value for the use of the state-owned property.

(2) The lease, rental, contract, or other legal agreement shall also require the party using the property to make a payment in lieu of taxes to the local jurisdictions that would otherwise receive property tax revenue, as if the property were not owned by the state.

Sec. 942. The department shall ensure that any contract with a public or private party to operate a facility to house state prisoners includes a provision to allow access by both the office of the legislative auditor general and the office of the legislative corrections ombudsman to the facility and to appropriate records and documents related to the operation of the facility. These access rights for both offices shall be the same for the contracted facility as for a general state-operated correctional facility.

**INFORMATION TECHNOLOGY**

Sec. 1000. From the funds appropriated in part 1 for information technology services and projects, the department shall expand bandwidth in 27 correctional facilities and 113 field operations offices. The purpose of this bandwidth expansion is to support critical information technology systems that provide platforms for several mandated programs and department cost savings efforts.

**MISCELLANEOUS**

Sec. 1009. The department shall make an information packet for the families of incoming prisoners available on the department's website. The information packet shall be updated by February 1 of each year. The packet shall provide information on topics including, but not limited to: how to put money into prisoner accounts, how to make phone calls or create Jpay email accounts, how to visit in person, proper procedures for filing complaints or grievances, the rights of prisoners to physical and mental health care, how to utilize the offender tracking information system (OTIS), truth-in-sentencing and how it applies to minimum sentences, the parole process, and guidance on the importance of the role of families in the reentry process. The department is encouraged to partner with external advocacy groups and actual families of prisoners in the packet-writing process to ensure that the information is useful and complete.

Sec. 1011. The department may accept in-kind services and equipment donations to facilitate the addition of a cable network that provides programming that will address the religious needs of incarcerated individuals. This network may be a cable television network that presently reaches the majority of households in the United States. A bilingual channel affiliated with this network may also be added to department programming to assist the religious needs of Spanish-speaking inmates. The addition of these channels shall be at no additional cost to this state.

**ONE-TIME APPROPRIATIONS**

Sec. 1100. From the funds appropriated in part 1 for new custody staff training, the department shall increase the training capacity for new custody staff by 350 officers. The purpose of this academy is to address higher than normal attrition of correction officers and to decrease overtime costs.

PART 2A
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2017 consensus revenue estimating conference.

ARTICLE VI
DEPARTMENT OF EDUCATION
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of education for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF EDUCATION**

| | | |
|---|---|---|
| APPROPRIATION SUMMARY | | |
| Full-time equated unclassified positions ..... 6.0 | | |
| Full-time equated classified positions ..... 597.5 | | |
| GROSS APPROPRIATION | $ | 331,975,200 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 331,975,200 |
| Federal revenues: | | |
| Total federal revenues | | 239,821,900 |
| Special revenue funds: | | |
| Total local revenues | | 5,557,200 |
| Total private revenues | | 2,034,200 |
| Total other state restricted revenues | | 8,380,700 |
| State general fund/general purpose | $ | 76,181,200 |
| **Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT** | | |
| Full-time equated unclassified positions ..... 6.0 | | |
| Full-time equated classified positions ..... 11.0 | | |
| State board of education, per diem payments | $ | 24,400 |
| Unclassified positions—6.0 FTE positions | | 827,200 |
| State board/superintendent operations—10.0 FTE positions | | 1,888,700 |
| Education commission of the states | | 120,800 |
| Chief information officer—1.0 FTE position | | 200,000 |
| GROSS APPROPRIATION | $ | 3,061,100 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 227,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Special revenue funds: | | |
| Private foundations | $ | 28,100 |
| Certification fees | | 771,400 |
| State general fund/general purpose | $ | 2,034,600 |
| **Sec. 103. CENTRAL SUPPORT** | | |
| Full-time equated classified positions ... 23.6 | | |
| Central support operations—23.6 FTE positions | $ | 3,686,700 |
| Worker's compensation | | 24,300 |
| Building occupancy charges - property management services | | 3,196,200 |
| Training and orientation workshops | | 150,000 |
| Terminal leave payments | | 353,300 |
| Federal and private grants | | 3,000,000 |
| GROSS APPROPRIATION | $ | 10,410,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 3,690,100 |
| Federal indirect funds | | 2,430,700 |
| Special revenue funds: | | |
| Certification fees | | 399,300 |
| Teacher testing fees | | 4,000 |
| Training and orientation workshop fees | | 150,000 |
| Private foundations | | 1,000,000 |
| State general fund/general purpose | $ | 2,736,400 |
| **Sec. 104. INFORMATION TECHNOLOGY SERVICES** | | |
| Information technology operations | $ | 4,192,600 |
| GROSS APPROPRIATION | $ | 4,192,600 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 616,900 |
| Federal indirect funds | | 1,824,300 |
| Special revenue funds: | | |
| Certification fees | | 397,500 |
| State general fund/general purpose | $ | 1,353,900 |
| **Sec. 105. SPECIAL EDUCATION SERVICES** | | |
| Full-time equated classified positions ... 47.0 | | |
| Special education operations—47.0 FTE positions | $ | 9,120,500 |
| GROSS APPROPRIATION | $ | 9,120,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 8,544,000 |
| Special revenue funds: | | |
| Private foundations | | 110,100 |
| Certification fees | | 44,700 |
| State general fund/general purpose | $ | 421,700 |
| **Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND** | | |
| Full-time equated classified positions ... 77.0 | | |
| Michigan schools for the deaf and blind operations—76.0 FTE positions | $ | 12,812,700 |
| Camp Tuhsmeheta—1.0 FTE position | | 296,000 |
| Low incidence outreach program | | 300,000 |
| Private gifts - blind | | 200,000 |
| Private gifts - deaf | | 150,000 |
| GROSS APPROPRIATION | $ | 13,758,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 7,048,600 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Special revenue funds: | | |
| Local cost sharing (schools for deaf/blind) | $ | 5,233,000 |
| Local school district service fees | | 312,500 |
| Gifts, bequests, and donations | | 646,000 |
| Low incidence outreach fund | | 300,000 |
| Student insurance revenue | | 218,600 |
| State general fund/general purpose | $ | 0 |
| **Sec. 107. PROFESSIONAL PREPARATION SERVICES** | | |
| Full-time equated classified positions 33.0 | | |
| Professional preparation operations—33.0 FTE positions | $ | 5,653,900 |
| GROSS APPROPRIATION | $ | 5,653,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 1,464,100 |
| Special revenue funds: | | |
| Certification fees | | 3,602,000 |
| Teacher testing fees | | 364,100 |
| State general fund/general purpose | $ | 223,700 |
| **Sec. 108. MICHIGAN OFFICE OF GREAT START** | | |
| Full-time equated classified positions 66.0 | | |
| Office of great start operations—65.0 FTE positions | $ | 23,177,400 |
| Child development and care external support | | 27,374,500 |
| Head start collaboration office—1.0 FTE position | | 309,900 |
| Child development and care public assistance | | 133,966,100 |
| GROSS APPROPRIATION | $ | 184,827,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 151,622,600 |
| Special revenue funds: | | |
| Private foundations | | 250,000 |
| Certification fees | | 64,600 |
| State general fund/general purpose | $ | 32,890,700 |
| **Sec. 109. STATE AID AND SCHOOL FINANCE SERVICES** | | |
| Full-time equated classified positions 11.5 | | |
| State aid and school finance operations—11.5 FTE positions | $ | 1,638,600 |
| GROSS APPROPRIATION | $ | 1,638,600 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 1,638,600 |
| **Sec. 110. AUDIT SERVICES** | | |
| Full-time equated classified positions 4.5 | | |
| Audit operations—4.5 FTE positions | $ | 612,500 |
| GROSS APPROPRIATION | $ | 612,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal indirect funds | | 486,800 |
| Special revenue funds: | | |
| Certification fees | | 62,300 |
| State general fund/general purpose | $ | 63,400 |
| **Sec. 111. ADMINISTRATIVE LAW SERVICES** | | |
| Full-time equated classified positions 2.0 | | |
| Administrative law operations—2.0 FTE positions | $ | 1,364,300 |
| GROSS APPROPRIATION | $ | 1,364,300 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 564,200 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Special revenue funds: | | |
| Certification fees | $ | 701,500 |
| State general fund/general purpose | $ | 98,600 |
| **Sec. 112. ACCOUNTABILITY SERVICES** | | |
| Full-time equated classified positions ... 64.6 | | |
| Accountability services operations—64.6 FTE positions | $ | 14,619,400 |
| GROSS APPROPRIATION | $ | 14,619,400 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 13,476,200 |
| State general fund/general purpose | $ | 1,143,200 |
| **Sec. 113. SCHOOL SUPPORT SERVICES** | | |
| Full-time equated classified positions ... 83.6 | | |
| School support services operations—83.6 FTE positions | $ | 15,495,200 |
| GROSS APPROPRIATION | $ | 15,495,200 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 14,455,700 |
| Special revenue funds: | | |
| Local school district service fees | | 11,700 |
| Certification fees | | 86,900 |
| Commodity distribution fees | | 71,700 |
| State general fund/general purpose | $ | 869,200 |
| **Sec. 114. FIELD SERVICES** | | |
| Full-time equated classified positions ... 45.0 | | |
| Field services operations—45.0 FTE positions | $ | 9,349,200 |
| GROSS APPROPRIATION | $ | 9,349,200 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 8,599,200 |
| Special revenue funds: | | |
| Certification fees | | 37,300 |
| State general fund/general purpose | $ | 712,700 |
| **Sec. 115. EDUCATIONAL IMPROVEMENT AND INNOVATION SERVICES** | | |
| Full-time equated classified positions ... 49.7 | | |
| Educational improvement and innovation operations—49.7 FTE positions | $ | 9,689,900 |
| GROSS APPROPRIATION | $ | 9,689,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 6,596,600 |
| Special revenue funds: | | |
| Certification fees | | 565,100 |
| State general fund/general purpose | $ | 2,528,200 |
| **Sec. 116. CAREER AND TECHNICAL EDUCATION** | | |
| Full-time equated classified positions ... 29.0 | | |
| Career and technical education operations—29.0 FTE positions | $ | 5,220,800 |
| GROSS APPROPRIATION | $ | 5,220,800 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 3,887,400 |
| State general fund/general purpose | $ | 1,333,400 |
| **Sec. 117. LIBRARY OF MICHIGAN** | | |
| Full-time equated classified positions ... 33.0 | | |
| Library of Michigan operations—31.0 FTE positions | $ | 4,797,400 |
| Library services and technology program—1.0 FTE position | | 5,610,100 |
| State aid to libraries | | 9,876,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Michigan eLibrary—1.0 FTE position | $ | 1,752,300 |
| Renaissance zone reimbursements | | 5,300,000 |
| GROSS APPROPRIATION | $ | 27,335,800 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 5,610,100 |
| Special revenue funds: | | |
| Library fees | | 300,000 |
| State general fund/general purpose | $ | 21,425,700 |
| **Sec. 118. EDUCATOR TALENT AND POLICY COORDINATION** | | |
| Full-time equated classified positions ... 17.0 | | |
| Educator talent and policy coordination operations—17.0 FTE positions | $ | 2,574,200 |
| GROSS APPROPRIATION | $ | 2,574,200 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 627,400 |
| Special revenue funds: | | |
| Certification fees | | 239,600 |
| State general fund/general purpose | $ | 1,707,200 |
| **Sec. 119. ONE-TIME APPROPRIATIONS** | | |
| Certification fees subsidy | $ | 500,000 |
| Statewide school drinking water quality program | | 4,500,000 |
| Drinking water declaration of emergency | | 8,050,100 |
| GROSS APPROPRIATION | $ | 13,050,100 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 8,050,000 |
| Special revenue funds: | | |
| Flint emergency reserve fund | | 100 |
| State general fund/general purpose | $ | 5,000,000 |

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $84,561,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is $19,176,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF EDUCATION

| | | |
|---|---|---|
| Voluntary water testing | $ | 4,000,000 |
| State aid to libraries.. | | 9,876,000 |
| Renaissance zone reimbursements | | 5,300,000 |
| Total department of education | $ | 19,176,000 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "ACT" means the American College Testing Corporation.

(b) "Department" means the Michigan department of education.

(c) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

(d) "FTE" means full-time equated.

Sec. 204. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 205. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be

given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The state superintendent of public instruction shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The state superintendent of public instruction shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 208. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $700,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $250,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $3,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees responsible for the department budget, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2016 and September 30, 2017.

Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are estimated at $16,971,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $9,410,700.00. Total agency appropriations for retiree health care legacy costs are estimated at $7,560,800.00.

Sec. 215. The department shall provide through the Internet the state board of education agenda and all supporting documents, and shall notify the state budget director and the senate and house fiscal agencies that the agenda and

supporting documents are available on the Internet, at the time the agenda and supporting documents are provided to state board of education members.

Sec. 216. To the extent that the state continues to identify schools as meeting proficiency targets, before publishing a list of schools or districts determined to have failed to make adequate yearly progress as required by the no child left behind act of 2001, Public Law 107-110, the department shall allow a school or district to appeal that determination. Those appeals shall be addressed before designations may be published.

Sec. 217. The department may assist the department of health and human services, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of health and human services for reimbursement.

Sec. 219. From the funds appropriated in part 1, the department shall ensure that kindergarten benchmark data include a method for information to be provided regarding a child's participation in the great start readiness program.

Sec. 220. The department shall post on its website a link to the federal Institute of Education Sciences' What Works Clearinghouse. The department also shall work to disseminate knowledge about the What Works Clearinghouse to districts and intermediate districts so that it may be used to improve reading proficiency for pupils in grades K to 3.

Sec. 221. The department shall require all districts and intermediate school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the governing board against the teacher or employee for sexual misconduct. The records shall not be destroyed or removed from the teacher's or employee's personnel file except as required by a court order.

Sec. 222. The department shall not take disciplinary action against an employee who communicates truthfully and factually with a member of the legislature or his or her staff.

Sec. 223. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 226. From the funds appropriated in part 1, the department shall coordinate with the other departments to streamline state services and resources, reduce duplication, and increase efficiency. This includes, but is not limited to, working with the department of technology, management, and budget to coordinate with the school reform office, working with the department of treasury to coordinate with the financial independence team and overseeing deficit districts, and working with the department of health and human services and department of licensing and regulatory affairs to coordinate with early childhood programs and overseeing child care providers.

Sec. 227. (1) The department shall provide data requested by a member of the legislature, his or her staff, or the house and senate fiscal agencies in a timely manner. If the department fails to provide reasonably requested data within 30 days after the request, the state money appropriated in part 1 for state board/superintendent operations shall be reduced by 1%.

(2) If the department fails to provide to the legislature reports and other data required by boilerplate or statute within 30 days after the date the information is due, the state money appropriated in part 1 for state board/superintendent operations shall be reduced by 1%.

Sec. 228. No state department or agency shall issue a request for proposal for a contract in excess of $1,000,000.00, unless the department or agency has first considered issuing a request for information or a request for qualification relative to that contract to better enable the department or agency to learn more about the market for the products or services that are the subject of the future request for proposal. The department or agency shall notify the department of technology, management, and budget of the evaluation process used to determine if a request for information or request for qualification was not necessary before issuing the request for proposal.

Sec. 229. The department shall not enter into a contract funded under part 1 that exceeds $1,000,000.00 or seek a federal waiver or an amendment to the federal waiver, until after notification of the content to both the house and senate appropriations committees and the state budget director.

Sec. 230. From the funds appropriated in part 1, the department shall compile a report that identifies any new, or lack thereof, mandates required of nonpublic schools. In compiling the report, the department may consult with relevant statewide education associations in Michigan. The report compiled by the department shall indicate the type of mandate, including, but not limited to, student health, student or building safety, accountability, and educational requirements, and shall indicate whether a school has to report on the specified mandates. The report required under this section shall be completed by April 1, 2017 and transmitted to the state budget director, the house and senate appropriations subcommittees responsible for the department of education, and the senate and house fiscal agencies not later than April 15, 2017.

**STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT**

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to the state board for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments shall be at a rate as follows:

(a) State board of education - president - $110.00 per day.

(b) State board of education - member other than president - $100.00 per day.

(2) A state board of education member shall not be paid a per diem for more than 30 days per year.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than $35,000.00 for the fiscal year ending September 30, 2017 shall be expended for in-state travel and out-of-state travel directly related to the duties of the state board of education.

**CENTRAL SUPPORT**

Sec. 325. Within 10 days of the receipt of a grant appropriated in the federal and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

**SPECIAL EDUCATION SERVICES**

Sec. 350. From the funds in part 1 for special education operations, the department shall perform the following activities:

(a) Design and distribute to all parents with a student with a disability information about federal and state mandates regarding the rights and protections of students with disabilities, including, but not limited to, individualized education programs to ensure that parents and legal guardians are fully informed about laws, rules, procedural safeguards, problem-solving options, and any other information the department determines is necessary so that parents and legal guardians may be able to provide meaningful input in collaboration with districts to develop and implement an individualized education program.

(b) Train mediators who are knowledgeable about the dispute resolution system and state and federal mandates pertaining to the rights and protections of students with disabilities outlined in the federal individuals with disabilities education act, 20 USC 1400 to 1482, and the Michigan administrative rules for special education programs and services, R 340.1701 to R 340.1862 of the Michigan Administrative Code. This annual training will include coursework, resources, and materials.

**MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

Sec. 401. The employees at the Michigan schools for the deaf and blind who work on a school-year basis are considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 402. For each student enrolled at the Michigan schools for the deaf and blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 406. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

(2) Upon knowledge of or recognition by an intermediate school district that a child in the district is deaf or hard of hearing or blind or visually impaired, the intermediate school district shall provide to the parents of the child the literature distributed by the Michigan schools for the deaf and blind to intermediate school districts under subsection (1).

(3) Parents will continue to have a choice regarding the educational placement of their deaf or hard-of-hearing children.

Sec. 407. Revenue received by the Michigan schools for the deaf and blind from gifts, bequests, donations, and local district service fees that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

Sec. 408. For the funds appropriated in part 1 for the low incidence outreach fund, the funds collected by the Michigan schools for the deaf and the low incidence outreach program for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

**PROFESSIONAL PREPARATION SERVICES**

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain certificate revocation/felony conviction files of educational personnel.

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

Sec. 503. From the funds appropriated in part 1 for professional preparation services - professional preparation operations, the department shall coordinate professional development with the Michigan Virtual Learning Research Institute and external stakeholders.

Sec. 506. Revenue received from teacher testing fees that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

Sec. 507. From the funds appropriated in part 1, the department shall adopt a teacher certification test that ensures that all newly certified elementary teachers have the skills to deliver evidence-based literacy instruction. The department may use teacher certification or teacher testing fee revenue to the extent allowable under law to implement this section, or may pass along increased testing fees to teachers as allowable and appropriate.

**FIELD SERVICES**

Sec. 701. (1) From the funds appropriated in part 1 for field services operations, the department shall produce a report detailing the progress made by districts with grades K-3 receiving at-risk funding under section 31a of the state school aid act of 1979, 1979 PA 94, MCL 388.1631a, in implementing multitiered systems of supports in the prior school fiscal year.

(2) The report shall include, at a minimum:

(a) A description of the training, coaching, and technical assistance offered by the department to districts to support the implementation of effective multitiered systems of supports.

(b) A list of districts determined by the department to have successfully implemented multitiered systems of supports.

(c) A list of best practices that the department has identified that may be used by districts to implement multitiered systems of supports.

(d) Other information the department determines would be useful to understanding the status of districts' implementation of effective multitiered systems of supports.

(3) The report shall be provided to the state budget director, the house and senate subcommittees that oversee the department of education and school aid budgets, and the house and senate fiscal agencies by September 30, 2017.

**LIBRARY OF MICHIGAN**

Sec. 801. For the funds appropriated in part 1 for library fees, the funds collected by the department for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

Sec. 803. It is the intent of the legislature that the library of Michigan and the component programs currently within the library of Michigan with the exception of the genealogical collections shall be kept together in a state department.

Sec. 804. (1) The funds appropriated in part 1 for renaissance zone reimbursements shall be used to reimburse public libraries under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2016. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, payments shall be prorated on an equal basis among all eligible public libraries.

**MICHIGAN OFFICE OF GREAT START**

Sec. 1001. By November 1, 2016, the department shall submit a report to the house and senate appropriations subcommittees on the department of education budget and the house and senate fiscal agencies on the number of eligible child care providers by type receiving payment for child care services from the department on October 1, 2016.

Sec. 1003. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on all funding appropriated to the Early Childhood Investment Corporation by the state during the previous fiscal year. The report is due by February 15 and must contain at least the following information:

(a) Total funding appropriated to the Early Childhood Investment Corporation by the state during the previous fiscal year.

(b) The amount of funding for each grant awarded.

(c) The grant recipients.

(d) The activities funded by each grant.

(e) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All department contracts for early childhood comprehensive systems planning shall be bid out through a statewide request-for-proposal process.

Sec. 1004. From the funds appropriated in part 1 for child development and care public assistance, the department shall expand the child development and care program in the current fiscal year. The purpose of this program expansion is to increase the number of low-income children in high-quality early learning programs, to increase the number of children ready for school at kindergarten entry, and to increase the number of children who are reading at grade level by the end of third grade.

Sec. 1007. (1) From the funds appropriated in part 1 for child development and care - external support, the department shall create progress reports that shall include, but are not limited to, the following:

(a) Both the on-site and off-site activities that are intended to improve child care provider quality and the number of times those activities are performed by the licensing consultants.

(b) How many on-site visits a single licensing consultant has made since the start of the 2016-2017 fiscal year.

(c) The types of on-site visits and the number of visits for each type that a single consultant has made since the start of fiscal year 2016-2017.

(d) The number of providers that have improved their quality rating since the start of fiscal year 2016-2017 compared to the same time period in fiscal year 2015-2016.

(e) The types of activities that are intended to improve licensing consultant performance and child care provider quality and the number of times those activities are performed by the managers and administrators.

(2) The progress reports shall be sent to the state budget director, the house and senate subcommittees that oversee the department of education, and the house and senate fiscal agencies by April 1, 2017 and September 30, 2017.

Sec. 1008. From the amount appropriated in part 1 for office of great start operations, the department shall work with the department of health and human services to coordinate services provided to families for home visits, reduce duplication of state services and spending, and increase efficiencies including the home visits funded under section 32p of the state school aid act of 1979, 1979 PA 94, MCL 388.1632p.

Sec. 1009. From the funds appropriated in part 1 for child development and care – child development and care public assistance, there is allocated $7,666,100.00 to raise the entrance threshold of the child development and care program from 121% of the federal poverty guidelines to 125% of the federal poverty guidelines.

Sec. 1010. From the funds appropriated in part 1 for drinking water declaration of emergency, the unexpended funds appropriated for drinking water declaration of emergency needs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide for children where a drinking water declaration of emergency exists that are impacted by the emergency declaration dated January 5, 2016.

(b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $8,050,000.00.

(d) The tentative completion date is September 30, 2018.

**ACCOUNTABILITY SERVICES**

Sec. 1021. Using the funds appropriated in part 1, the department shall work in collaboration with the department of technology, management, and budget to renegotiate the contract with the ACT to ensure that it registers, issues, and ships to schools a printed national career readiness certificate (NCRC) to each Michigan student who takes the ACT WorkKeys test, successfully completes the exam, qualifies for the certificate, and ensures that the renegotiated contract results in minimal or no additional costs to the state. If a renegotiation cannot be completed that results in minimal or no additional costs to the state, the department shall rebid the contract for the workskills portion of the Michigan merit exam (MME).

**ONE-TIME APPROPRIATIONS**

Sec. 1101. (1) From the funds appropriated in part 1 for drinking water declaration of emergency, the department shall allocate funding to address the child care needs in a city in which a declaration of emergency was issued because of drinking water contamination. Funds shall be used to support the following activities in the city:

(a) Pilot the expansion of the child development and care eligibility to children ages 0 to 3 for 1/2-day child care services by increasing the household income entrance threshold to 300% of the federal poverty guidelines.

(b) Provide information to child care providers on identification and intervention services for children demonstrating potential developmental delays associated with exposure to lead.

(2) The department shall amend definitions and eligibility requirements in the child care and development fund state plan as necessary to implement this section.

(3) The department shall create a report that includes, but is not limited to, all of the following:

(a) The number of children ages 0 to 3 in a city where there is a drinking water declaration of emergency.

(b) The number of children ages 0 to 3 in a city where there is a drinking water declaration of emergency served by the child development and care program before the implementation of the increase to the entrance threshold to 300% of the federal poverty guidelines.

(c) The number of children ages 0 to 3 in a city where there is a drinking water declaration of emergency served by the child development and care program after the implementation of the increase to the entrance threshold to 300% of the federal poverty guidelines.

(d) The number of cases including a child aged 0 to 3 in a city where there is a drinking water declaration of emergency and being served by the child development and care program.

(e) The number of children receiving referrals for additional screenings, assessments, or services that are ages 0 to 3 in a city where there is a drinking water declaration of emergency and served by the child development and care program.

(f) The number of children ages 0 to 3 identified with developmental delays in a city where there is a drinking water declaration of emergency and served by the child development and care program.

(g) The number of children ages 0 to 3 who are in 1-parent households in a city where there is a drinking water declaration of emergency and served by the child development and care program.

(h) The number of children ages 0 to 3 who are in 2-parent households in a city where there is a drinking water declaration of emergency and served by the child development and care program.

(i) The number of child care providers that were provided training on identifying the impacts of lead exposure, as well as related developmental delays that are serving children ages 0 to 3 in a city where there is a drinking water declaration of emergency and participating in the child development and care program.

(j) The types and number of communications with parents or caretakers on the impact of developmental delays and available services for children ages 0 to 3 in a city where there is a drinking water declaration of emergency and are being served by the child development and care program. The department shall create a list of communication types that includes, but is not limited to, all of the following: in person, telephone, letter, and electronic mail.

(4) The report created under subsection (3) shall be sent to the state budget director, the house and senate subcommittees that oversee the department of education, and the house and senate fiscal agencies by the first of every month until the drinking water declaration of emergency has been lifted.

Sec. 1102. (1) From the funds appropriated in part 1 for the statewide school drinking water quality program, each public school and registered nonpublic school will be eligible for up to $950.00 per school building. Funds will be provided on a reimbursement basis for costs for statewide school testing, fixture replacement, filter purchases, plumbing assessments, or technical assistance incurred from July 1, 2016 to September 30, 2017. As used in this subsection, "school building" means a "school" or "unique education provider" as defined within the Educational Entity Master, where instruction is provided to students.

(2) Public school districts, public school academies, and nonpublic schools will be required to submit proof of public notification of the number of fixtures providing water for drinking or food preparation, testing results, number of fixtures replaced, and other corrective action plans prior to reimbursement.

(3) Public school districts, public school academies, and nonpublic schools will be required to submit reimbursement requests through the existing electronic Michigan department of education grant monitoring system, as specified.

(4) The department, department of environmental quality, and department of licensing and regulatory affairs will provide support to the schools, including technical assistance, analysis of results, site visits, and outreach materials. Administrative costs not to exceed 5% of the funding will be supported from the appropriation.

(5) The department and the department of environmental quality will prepare a report summarizing the number of fixtures reported per school, tests completed, tests with elevated levels of lead, fixtures replaced, and schools completing a plumbing assessment. The report will be submitted to the legislature by December 31, 2017.

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2017 consensus revenue estimating conference.

ARTICLE VII

DEPARTMENT OF ENVIRONMENTAL QUALITY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of environmental quality for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

| | | | |
|---|---|---|---|
| APPROPRIATION SUMMARY | | | |
| Full-time equated unclassified positions | 6.0 | | |
| Full-time equated classified positions | 1,232.0 | | |
| GROSS APPROPRIATION | | $ | 513,549,400 |
| Interdepartmental grant revenues: | | | |
| Total interdepartmental grants and intradepartmental transfers | | | 9,225,700 |
| ADJUSTED GROSS APPROPRIATION | | $ | 504,323,700 |
| Federal revenues: | | | |
| Federal funds | | | 138,687,200 |
| Special revenue funds: | | | |
| Private funds | | | 555,300 |
| Total other state restricted revenues | | | 317,344,800 |
| State general fund/general purpose | | $ | 47,736,400 |
| State general fund/general purpose schedule: | | | |
| Ongoing state general fund/general purpose | 35,336,400 | | |
| One-time state general fund/general purpose | 12,400,000 | | |
| FUND SOURCE SUMMARY | | | |
| Full-time equated unclassified positions | 6.0 | | |
| Full-time equated classified positions | 1,232.0 | | |
| GROSS APPROPRIATION | | $ | 513,549,400 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Interdepartmental grant revenues: | | |
| IDG, MDOT - Michigan transportation fund | $ | 1,335,100 |
| IDG, MDSP | | 1,744,500 |
| IDT, interdivisional charges | | 2,053,400 |
| IDT, laboratory services | | 4,092,700 |
| Total interdepartmental grants and intradepartmental transfers | | 9,225,700 |
| ADJUSTED GROSS APPROPRIATION | $ | 504,323,700 |
| Federal revenues: | | |
| Federal funds | | 138,687,200 |
| Special revenue funds: | | |
| Private funds | | 555,300 |
| Air emissions fees | | 12,132,700 |
| Aquatic nuisance control fund | | 913,200 |
| Campground fund | | 315,100 |
| Clean Michigan initiative - clean water fund | | 3,417,100 |
| Clean Michigan initiative - contaminated sediments | | 2,265,000 |
| Clean Michigan initiative - nonpoint source | | 2,000,000 |
| Clean Michigan initiative - response activities | | 14,900,000 |
| Cleanup and redevelopment fund | | 19,394,700 |
| Community pollution prevention fund | | 250,000 |
| Electronic waste recycling fund | | 327,100 |
| Environmental education fund | | 166,200 |
| Environmental pollution prevention fund | | 7,977,300 |
| Environmental protection fund | | 2,429,900 |
| Environmental response fund | | 3,773,600 |
| Fees and collections | | 407,500 |
| Financial instruments | | 9,416,500 |
| Flint emergency reserve fund | | 100 |
| Great Lakes protection fund | | 391,100 |
| Groundwater discharge permit fees | | 1,751,000 |
| Infrastructure construction fund | | 50,900 |
| Land and water permit fees | | 3,217,000 |
| Landfill maintenance trust fund | | 31,000 |
| Medical waste emergency response fund | | 330,800 |
| Metallic mining surveillance fee revenue | | 100,400 |
| Mineral well regulatory fee revenue | | 220,600 |
| Nonferrous metallic mineral surveillance | | 358,900 |
| NPDES fees | | 4,542,100 |
| Oil and gas regulatory fund | | 5,103,500 |
| Orphan well fund | | 2,408,600 |
| Public swimming pool fund | | 650,300 |
| Public utility assessments | | 262,000 |
| Public water supply fees | | 4,914,000 |
| Refined petroleum fund | | 42,473,800 |
| Revitalization revolving loan fund | | 103,100 |
| Revolving loan revenue bonds | | 11,400,000 |
| Sand extraction fee revenue | | 92,500 |
| Scrap tire regulatory fund | | 5,080,800 |
| Septage waste contingency fund | | 18,400 |
| Septage waste program fund | | 525,000 |
| Settlement funds | | 425,400 |
| Sewage sludge land application fees | | 1,128,400 |
| Small business pollution prevention revolving loan fund | | 165,100 |
| Soil erosion and sedimentation control training fund | | 169,600 |
| Solid waste management fund - staff account | | 5,058,000 |
| Stormwater permit fees | | 3,149,500 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Strategic water quality initiatives fund | $ | 116,193,700 |
| Underground storage tank cleanup fund | | 20,011,400 |
| Wastewater operator training fees | | 584,200 |
| Water analysis fees | | 2,239,600 |
| Water pollution control revolving fund | | 3,724,400 |
| Water quality protection fund | | 100,000 |
| Water use reporting fees | | 283,700 |
| Total other state restricted revenues | | 317,344,800 |
| State general fund/general purpose | $ | 47,736,400 |
| **Sec. 102. EXECUTIVE OPERATIONS** | | |
| Full-time equated unclassified positions 6.0 | | |
| Full-time equated classified positions 13.0 | | |
| Unclassified salaries—6.0 FTE positions | $ | 754,000 |
| Executive direction—13.0 FTE positions | | 2,099,400 |
| GROSS APPROPRIATION | $ | 2,853,400 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 27,600 |
| Special revenue funds: | | |
| Environmental protection fund | | 304,900 |
| Environmental response fund | | 173,100 |
| Oil and gas regulatory fund | | 226,900 |
| Refined petroleum fund | | 601,000 |
| Settlement funds | | 11,600 |
| State general fund/general purpose | $ | 1,508,300 |
| **Sec. 103. OFFICE OF THE GREAT LAKES** | | |
| Full-time equated classified positions 12.0 | | |
| Office of the Great Lakes—12.0 FTE positions | $ | 2,170,700 |
| Coastal management grants | | 1,250,000 |
| GROSS APPROPRIATION | $ | 3,420,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 2,037,900 |
| Special revenue funds: | | |
| Great Lakes protection fund | | 369,400 |
| Settlement funds | | 113,700 |
| State general fund/general purpose | $ | 899,700 |
| **Sec. 104. GREAT LAKES RESTORATION INITIATIVE** | | |
| Full-time equated classified positions 6.0 | | |
| Great Lakes restoration initiative—6.0 FTE positions | $ | 15,090,700 |
| GROSS APPROPRIATION | $ | 15,090,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 15,090,700 |
| Special revenue funds: | | |
| State general fund/general purpose | $ | 0 |
| **Sec. 105. DEPARTMENT SUPPORT SERVICES** | | |
| Full-time equated classified positions 34.0 | | |
| Central support services—34.0 FTE positions | $ | 4,147,800 |
| Accounting service center | | 1,391,400 |
| Administrative hearings | | 381,200 |
| Automated data processing | | 2,053,400 |
| Building occupancy charges | | 4,582,800 |
| Environmental support projects | | 5,000,000 |
| Rent - privately owned property | | 2,240,600 |
| GROSS APPROPRIATION | $ | 19,797,200 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG, MDSP | $ | 60,100 |
| IDT, interdivisional charges | | 2,053,400 |
| IDT, laboratory services | | 153,300 |
| Special revenue funds: | | |
| Air emissions fees | | 1,258,400 |
| Campground fund | | 14,300 |
| Cleanup and redevelopment fund | | 1,438,700 |
| Electronic waste recycling fund | | 15,300 |
| Environmental pollution prevention fund | | 778,800 |
| Environmental response fund | | 217,800 |
| Fees and collections | | 26,900 |
| Financial instruments | | 7,261,900 |
| Great Lakes protection fund | | 14,100 |
| Groundwater discharge permit fees | | 182,600 |
| Land and water permit fees | | 528,500 |
| Medical waste emergency response fund | | 16,100 |
| Metallic mining surveillance fee revenue | | 4,500 |
| Mineral well regulatory fee revenue | | 8,100 |
| Nonferrous metallic mineral surveillance | | 800 |
| NPDES fees | | 224,300 |
| Oil and gas regulatory fund | | 598,500 |
| Orphan well fund | | 47,400 |
| Public swimming pool fund | | 24,600 |
| Public utility assessments | | 19,500 |
| Public water supply fees | | 174,300 |
| Refined petroleum fund | | 1,610,700 |
| Sand extraction fee revenue | | 3,800 |
| Scrap tire regulatory fund | | 152,600 |
| Septage waste program fund | | 18,100 |
| Settlement funds | | 37,200 |
| Sewage sludge land application fees | | 116,500 |
| Small business pollution prevention revolving loan fund | | 17,400 |
| Soil erosion and sedimentation control training fund | | 17,000 |
| Solid waste management fund - staff account | | 306,400 |
| Stormwater permit fees | | 115,200 |
| Wastewater operator training fees | | 31,000 |
| Water analysis fees | | 138,100 |
| Water use reporting fees | | 22,200 |
| State general fund/general purpose | $ | 2,088,800 |
| **Sec. 106. OFFICE OF ENVIRONMENTAL ASSISTANCE** | | |
| Full-time equated classified positions ... 38.0 | | |
| Office of environmental assistance—38.0 FTE positions | $ | 6,257,700 |
| Pollution prevention local grants | | 250,000 |
| GROSS APPROPRIATION | $ | 6,507,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 704,800 |
| Special revenue funds: | | |
| Private funds | | 364,200 |
| Air emissions fees | | 136,300 |
| Community pollution prevention fund | | 250,000 |
| Environmental education fund | | 166,200 |
| Environmental pollution prevention fund | | 1,501,300 |
| Fees and collections | | 120,100 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Settlement funds | $ | 262,900 |
| Small business pollution prevention revolving loan fund | | 134,400 |
| State general fund/general purpose | $ | 2,867,500 |
| **Sec. 107. WATER RESOURCE DIVISION** | | |
| Full-time equated classified positions ... 316.0 | | |
| Land and water interface permit programs—82.0 FTE positions | $ | 11,659,600 |
| Program direction and project assistance—27.0 FTE positions | | 3,030,700 |
| Water withdrawal assessment program—4.0 FTE positions | | 1,423,500 |
| Water quality and use initiative/general—5.0 FTE positions | | 1,645,700 |
| Real-time beach monitoring program | | 500,000 |
| Wetlands program | | 1,000,000 |
| Aquatic nuisance control program—6.0 FTE positions | | 913,200 |
| Expedited water/wastewater permits—1.0 FTE position | | 50,900 |
| Fish contaminant monitoring | | 316,100 |
| Groundwater discharge—22.0 FTE positions | | 3,215,900 |
| NPDES nonstormwater program—83.0 FTE positions | | 13,003,900 |
| Surface water—86.0 FTE positions | | 15,871,800 |
| Federal - Great Lakes remedial action plan grants | | 583,800 |
| Federal - nonpoint source water pollution grants | | 4,083,300 |
| Contaminated lake and river sediment cleanup program | | 1,565,000 |
| Nonpoint source pollution prevention and control project program | | 2,000,000 |
| Wetland mitigation banking grants and loans | | 3,000,000 |
| Water quality protection grants | | 100,000 |
| GROSS APPROPRIATION | $ | 63,963,400 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG, MDOT - Michigan transportation fund | | 1,249,000 |
| Federal revenues: | | |
| Federal funds | | 19,479,100 |
| Special revenue funds: | | |
| Aquatic nuisance control fund | | 913,200 |
| Clean Michigan initiative - clean water fund | | 3,417,100 |
| Clean Michigan initiative - contaminated sediments | | 1,565,000 |
| Clean Michigan initiative - nonpoint source | | 2,000,000 |
| Environmental response fund | | 204,800 |
| Groundwater discharge permit fees | | 1,472,900 |
| Infrastructure construction fund | | 50,900 |
| Land and water permit fees | | 2,345,100 |
| NPDES fees | | 4,144,500 |
| Refined petroleum fund | | 442,300 |
| Sewage sludge land application fees | | 950,200 |
| Soil erosion and sedimentation control training fund | | 139,600 |
| Stormwater permit fees | | 2,945,900 |
| Strategic water quality initiatives fund | | 3,000,000 |
| Wastewater operator training fees | | 280,700 |
| Water pollution control revolving fund | | 821,900 |
| Water quality protection fund | | 100,000 |
| Water use reporting fees | | 245,100 |
| State general fund/general purpose | $ | 18,196,100 |
| **Sec. 108. LAW ENFORCEMENT DIVISION** | | |
| Full-time equated classified positions ... 14.0 | | |
| Environmental investigations—14.0 FTE positions | $ | 2,837,200 |
| GROSS APPROPRIATION | $ | 2,837,200 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDT, laboratory services | | 15,800 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Federal revenues: | | |
| Federal funds | $ | 575,700 |
| Special revenue funds: | | |
| Air emissions fees | | 56,300 |
| Campground fund | | 2,100 |
| Cleanup and redevelopment fund | | 187,600 |
| Electronic waste recycling fund | | 1,600 |
| Environmental pollution prevention fund | | 107,500 |
| Environmental response fund | | 40,300 |
| Fees and collections | | 4,100 |
| Financial instruments | | 519,100 |
| Great Lakes protection fund | | 1,500 |
| Groundwater discharge permit fees | | 18,800 |
| Land and water permit fees | | 77,700 |
| Medical waste emergency response fund | | 2,400 |
| Metallic mining surveillance fee revenue | | 700 |
| Mineral well regulatory fee revenue | | 1,200 |
| NPDES fees | | 32,300 |
| Oil and gas regulatory fund | | 86,600 |
| Orphan well fund | | 7,100 |
| Public swimming pool fund | | 3,700 |
| Public utility assessments | | 2,000 |
| Public water supply fees | | 26,500 |
| Refined petroleum fund | | 362,500 |
| Sand extraction fee revenue | | 600 |
| Scrap tire regulatory fund | | 29,200 |
| Septage waste program fund | | 2,700 |
| Sewage sludge land application fees | | 12,200 |
| Small business pollution prevention revolving loan fund | | 2,600 |
| Soil erosion and sedimentation control training fund | | 2,600 |
| Solid waste management fund - staff account | | 40,800 |
| Stormwater permit fees | | 17,500 |
| Wastewater operator training fees | | 4,600 |
| Water analysis fees | | 18,200 |
| Water use reporting fees | | 3,100 |
| State general fund/general purpose | $ | 570,000 |
| **Sec. 109. AIR QUALITY DIVISION** | | |
| Full-time equated classified positions ... 188.0 | | |
| Air quality programs—188.0 FTE positions | $ | 27,231,500 |
| GROSS APPROPRIATION | $ | 27,231,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 7,450,200 |
| Special revenue funds: | | |
| Air emissions fees | | 10,015,300 |
| Environmental pollution prevention fund | | 1,362,000 |
| Fees and collections | | 205,300 |
| Oil and gas regulatory fund | | 137,200 |
| Refined petroleum fund | | 3,657,200 |
| State general fund/general purpose | $ | 4,404,300 |
| **Sec. 110. RESOURCE MANAGEMENT DIVISION** | | |
| Full-time equated classified positions ... 305.0 | | |
| Drinking water and environmental health—106.0 FTE positions | $ | 14,901,900 |
| Hazardous waste management program—45.0 FTE positions | | 6,946,100 |
| Low-level radioactive waste authority—2.0 FTE positions | | 232,600 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Medical waste program—2.0 FTE positions | $ | 302,300 |
| Municipal assistance—29.0 FTE positions | | 4,800,500 |
| Radiological protection program—12.0 FTE positions | | 1,966,500 |
| Scrap tire regulatory program—10.0 FTE positions | | 1,334,700 |
| Oil, gas, and mineral services—59.0 FTE positions | | 6,794,800 |
| Recycling initiative—3.0 FTE positions | | 1,008,700 |
| Solid waste management program—37.0 FTE positions | | 5,026,400 |
| Drinking water program grants | | 830,000 |
| Noncommunity water grants | | 2,000,000 |
| Septage waste compliance grants | | 275,000 |
| Strategic water quality initiative grants and loans | | 97,000,000 |
| Water pollution control and drinking water revolving fund | | 84,993,000 |
| Scrap tire grants | | 3,500,000 |
| GROSS APPROPRIATION | $ | 231,912,500 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG, MDSP | | 1,658,600 |
| Federal revenues: | | |
| Federal funds | | 86,027,300 |
| Special revenue funds: | | |
| Campground fund | | 290,300 |
| Electronic waste recycling fund | | 303,700 |
| Environmental pollution prevention fund | | 3,768,300 |
| Fees and collections | | 34,500 |
| Medical waste emergency response fund | | 302,300 |
| Metallic mining surveillance fee revenue | | 92,500 |
| Mineral well regulatory fee revenue | | 206,400 |
| Nonferrous metallic mineral surveillance | | 357,800 |
| Oil and gas regulatory fund | | 3,727,700 |
| Orphan well fund | | 2,324,600 |
| Public swimming pool fund | | 606,900 |
| Public utility assessments | | 232,600 |
| Public water supply fees | | 4,257,700 |
| Refined petroleum fund | | 682,500 |
| Revolving loan revenue bonds | | 11,400,000 |
| Sand extraction fee revenue | | 85,800 |
| Scrap tire regulatory fund | | 4,834,700 |
| Septage waste contingency fund | | 18,400 |
| Septage waste program fund | | 492,900 |
| Solid waste management fund - staff account | | 4,539,600 |
| Strategic water quality initiatives fund | | 98,193,700 |
| Wastewater operator training fees | | 248,700 |
| Water pollution control revolving fund | | 2,858,900 |
| State general fund/general purpose | $ | 4,366,100 |
| **Sec. 111. REMEDIATION AND REDEVELOPMENT DIVISION** | | |
| Full-time equated classified positions ... 291.0 | | |
| Contaminated site investigations, cleanup and revitalization—127.0 FTE positions | $ | 13,859,200 |
| Federal cleanup project management—40.0 FTE positions | | 6,934,500 |
| Laboratory services—39.0 FTE positions | | 6,175,300 |
| Emergency cleanup actions | | 4,000,000 |
| Environmental cleanup support | | 1,840,000 |
| Environmental cleanup and redevelopment program | | 29,900,000 |
| Refined petroleum product cleanup program—85.0 FTE positions | | 34,475,700 |
| Superfund cleanup | | 1,000,000 |
| GROSS APPROPRIATION | $ | 98,184,700 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDT, laboratory services | $ | 3,858,800 |
| Federal revenues: | | |
| Federal funds | | 6,305,400 |
| Special revenue funds: | | |
| Private funds | | 191,100 |
| Clean Michigan initiative - response activities | | 14,900,000 |
| Cleanup and redevelopment fund | | 17,006,600 |
| Environmental protection fund | | 2,037,600 |
| Environmental response fund | | 2,972,000 |
| Landfill maintenance trust fund | | 31,000 |
| Public water supply fees | | 307,500 |
| Refined petroleum fund | | 33,462,600 |
| Revitalization revolving loan fund | | 103,100 |
| Strategic water quality initiatives fund | | 15,000,000 |
| Water analysis fees | | 2,009,000 |
| State general fund/general purpose | $ | 0 |
| **Sec. 112. UNDERGROUND STORAGE TANK AUTHORITY** | | |
| Full-time equated classified positions ... 5.0 | | |
| Underground storage tank cleanup program—5.0 FTE positions | $ | 20,011,400 |
| GROSS APPROPRIATION | $ | 20,011,400 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Underground storage tank cleanup fund | | 20,011,400 |
| State general fund/general purpose | $ | 0 |
| **Sec. 113. INFORMATION TECHNOLOGY** | | |
| Information technology services and projects | $ | 8,638,900 |
| GROSS APPROPRIATION | $ | 8,638,900 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG, MDOT - Michigan transportation fund | | 86,100 |
| IDG, MDSP | | 25,800 |
| IDT, laboratory services | | 64,800 |
| Federal revenues: | | |
| Federal funds | | 988,500 |
| Special revenue funds: | | |
| Air emissions fees | | 666,400 |
| Campground fund | | 8,400 |
| Cleanup and redevelopment fund | | 761,800 |
| Electronic waste recycling fund | | 6,500 |
| Environmental pollution prevention fund | | 459,400 |
| Environmental protection fund | | 87,400 |
| Environmental response fund | | 165,600 |
| Fees and collections | | 16,600 |
| Financial instruments | | 1,635,500 |
| Great Lakes protection fund | | 6,100 |
| Groundwater discharge permit fees | | 76,700 |
| Land and water permit fees | | 265,700 |
| Medical waste emergency response fund | | 10,000 |
| Metallic mining surveillance fee revenue | | 2,700 |
| Mineral well regulatory fee revenue | | 4,900 |
| Nonferrous metallic mineral surveillance | | 300 |
| NPDES fees | | 141,000 |
| Oil and gas regulatory fund | | 326,600 |
| Orphan well fund | | 29,500 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Public swimming pool fund | $ | 15,100 |
| Public utility assessments | | 7,900 |
| Public water supply fees | | 148,000 |
| Refined petroleum fund | | 1,655,000 |
| Sand extraction fee revenue | | 2,300 |
| Scrap tire regulatory fund | | 64,300 |
| Septage waste program fund | | 11,300 |
| Sewage sludge land application fees | | 49,500 |
| Small business pollution prevention revolving loan fund | | 10,700 |
| Soil erosion and sedimentation control training fund | | 10,400 |
| Solid waste management fund - staff account | | 171,200 |
| Stormwater permit fees | | 70,900 |
| Wastewater operator training fees | | 19,200 |
| Water analysis fees | | 74,300 |
| Water pollution control revolving fund | | 43,600 |
| Water use reporting fees | | 13,300 |
| State general fund/general purpose | $ | 435,600 |
| **Sec. 114. ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Full-time equated classified positions ... 10.0 | | |
| Contaminated lake and river sediment cleanup program | $ | 700,000 |
| Drinking water declaration of emergency—10.0 FTE positions | | 5,400,100 |
| Oil, gas, and mineral services (one-time) | | 4,000,000 |
| Saginaw River dredging project - phase I | | 50,000 |
| Water pollution control and drinking water revolving fund | | 2,950,000 |
| GROSS APPROPRIATION | $ | 13,100,100 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Clean Michigan initiative - contaminated sediments | | 700,000 |
| Flint emergency reserve fund | | 100 |
| State general fund/general purpose | $ | 12,400,000 |

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for the fiscal year ending September 30, 2017 is $365,081,200.00 and state appropriations paid to local units of government are $3,750,000.00. The following itemized list identifies appropriations from which appropriations to local units of government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY

| | | |
|---|---|---|
| Drinking water and environmental health | $ | 212,000 |
| Drinking water program grants. | | 157,000 |
| Emergency cleanup actions. | | 106,000 |
| Noncommunity water grants | | 1,700,000 |
| Scrap tire grants. | | 500,000 |
| Pollution prevention local grants. | | 250,000 |
| Real-time beach monitoring program. | | 500,000 |
| Septage waste compliance grants. | | 100,000 |
| Solid waste management program. | | 65,000 |
| Surface water. | | 160,000 |
| TOTAL | $ | 3,750,000 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of environmental quality.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated.

(d) "IDG" means interdepartmental grant.

(e) "IDT" means intradepartmental transfer.

(f) "MDOT" means the state transportation department.

(g) "MDSP" means the department of state police.

(h) "NPDES" means national pollution discharge elimination system.

Sec. 204. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 205. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 208. Funds appropriated in this part and part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $30,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $500,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations

subcommittee chairs, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2016 and September 30, 2017.

Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $33,238,200.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $18,429,800.00. Total agency appropriations for retiree health care legacy costs are estimated at $14,808,400.00.

Sec. 216. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

(a) The name and location of the site for which an allocation is made.

(b) The nature of the problem encountered at the site.

(c) A brief description of how the problem will be resolved if the allocation is made for a response activity.

(d) The estimated date that site closure activities will be completed.

(e) The amount of the allocation, or the anticipated financing for the site.

(f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.

(g) The number of brownfield projects that were successfully redeveloped.

(2) The report prepared under subsection (1) shall also include all of the following:

(a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

(c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

(3) The report shall be made available by March 31 of each year.

Sec. 217. (1) The department may expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program, the refined petroleum product cleanup program, brownfield grants and loans, waterfront grants, and the environmental bond site reclamation program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 2003 PA 173, 2005 PA 109, 2006 PA 343, 2011 PA 63, and 2012 PA 236 are appropriated for expenditure for any site listed in this part and part 1 and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 52, 2004 PA 309, 2005 PA 11, 2006 PA 343, 2007 PA 121, 2011 PA 63, 2013 PA 59, 2014 PA 252, and 2015 PA 84 are appropriated for expenditure for any site listed in this part and part 1 and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2007 PA 121, 2008 PA 247, 2009 PA 118, 2010 PA 189, 2011 PA 63, 2012 PA 200, 2013 PA 59, 2014 PA 252, and 2015 PA 84 are appropriated for expenditure for any site listed in this part and part 1 and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from the appropriations from the strategic water quality initiatives fund contained in 2011 PA 50, 2011 PA 63, 2012 PA 200, 2013 PA 59, 2014 PA 252, and 2015 PA 84 are appropriated for expenditure for any site listed in this part and part 1 and any site listed in the public acts referenced in this section.

Sec. 219. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carryforward of $2,500,000.00.

Sec. 220. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 221. (1) Funds appropriated in part 1 shall not be used by the department to promulgate a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(2) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 235. The department shall prepare an annual report to the legislature that details all of the following for each of the allocations from the clean Michigan initiative bond fund as described in section 19607(1)(a) to (i) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19607:

(a) The progress of projects funded in each category.

(b) The current cost to date of all projects funded in each category.

(c) The estimated remaining cost of all projects funded in each category.

(d) The remaining balance of money in the fund allocated for each category.

**REMEDIATION DIVISION**

Sec. 301. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

Sec. 302. The unexpended funds appropriated in part 1 for emergency cleanup actions, the environmental cleanup and redevelopment program, and the refined petroleum product cleanup program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.

(b) The projects will be accomplished by contract.

(c) The total estimated cost of all projects is identified in each line-item appropriation.

(d) The tentative completion date is September 30, 2021.

Sec. 303. Effective October 1, 2016, surplus funds not to exceed $1,000,000.00 in the cleanup and redevelopment trust fund are appropriated to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

Sec. 304. Effective October 1, 2016, surplus funds not to exceed $1,000,000.00 in the community pollution prevention fund created in section 3f of 1976 IL 1, MCL 445.573f, are appropriated to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

Sec. 305. It is the intent of the legislature to repay the refined petroleum fund for the $70,000,000.00 that was transferred to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a, as part of the resolution for the fiscal year 2006-2007 budget.

Sec. 306. (1) The funds appropriated in part 1 for the refined petroleum product cleanup program shall be used to fund cleanup activities on the following sites:

| Site Name | County |
|---|---|
| Long Lake Super Market | Alpena |
| Geyer Motor Sales | Cheboygan |
| Procter Gamble | Cheboygan |
| 501 Leonard | Kent |
| 1603 Diamond | Kent |
| Blanchard Grocery | Montcalm |
| Mark & Penny Case | Branch |
| Clark Service Station #1027 | Kalamazoo |
| Action Auto #4 | Genesee |
| Linden Multi-site Contamination | Genesee |
| 13169 Northline Road | Wayne |

(2) The department shall provide a report to the legislature on the amount actually spent at each site listed in subsection (1) and give a detailed account of the work actually performed at each site.

Sec. 310. (1) Upon approval by the state budget director, the department may expend from the general fund of the state an amount to meet the cash-flow requirements of projects funded under any of the following that are financed from bond proceeds and for which bonds have been authorized but not yet issued:

(a) Part 52 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5201 to 324.5206.

(b) Part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306.

(c) Part 196 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19601 to 324.19616.

(2) Upon the sale of bonds for projects described in subsection (1), the department shall credit the general fund of the state an amount equal to that expended from the general fund.

Sec. 312. From funds appropriated in part 1, the department shall do both of the following:

(a) Conduct a study on the effects of long-term exposure to perfluorinated compounds.

(b) Conduct a workgroup to establish cleanup criteria for perfluorinated compounds under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

**WATER RESOURCES DIVISION**

Sec. 402. From the funds appropriated in part 1 for the water quality and use initiative/general line item, the department shall update a report detailing a comprehensive plan for the use of the water quality and use initiative funding appropriated in part 1 and identifying the amount of expenditures for specific programs made from the water quality and use initiative/general line item, the real-time beach monitoring program line item, and the wetlands program line item. The report shall be submitted to the chairpersons of the senate and house of representatives appropriations subcommittees on environmental quality and the senate and house fiscal agencies by September 30, 2017.

Sec. 405. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

Sec. 407. The unexpended funds appropriated in part 1 for the contaminated lake and river sediment cleanup program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects to be carried forward is to provide contaminated sediment cleanup.

(b) The projects will be accomplished by contract.

(c) The total estimated cost of all projects is $2,265,000.

(d) The tentative completion date is September 30, 2021.

Sec. 410. From the funds appropriated in part 1, the department shall compile a report on the status of the implementation plan for the western Lake Erie basin collaborative agreement. The department shall submit the report to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies by March 1.

**RESOURCE MANAGEMENT DIVISION**

Sec. 603. From the funds appropriated in part 1, by December 31, 2016, the department shall compile and make available to the public on a publicly accessible website a report containing a summary document of each completed asset management plan for any stormwater, asset management, or wastewater grant awarded to a local unit of government to fund the development of a plan. As a condition of receiving a stormwater, asset management, or wastewater grant, a local unit of government shall make its asset management plan available to the department upon request when completed and shall retain copies of the plan that can be made available to the public for a minimum of 15 years. The department shall make available a summary document of each plan on a publicly accessible website by September 30 of the year it was completed. The summary document shall include a summary of the plan and contact information for the local unit of government.

**UNDERGROUND STORAGE TANK AUTHORITY**

Sec. 701. The unexpended funds appropriated in part 1 for the underground storage tank cleanup program are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.

(b) The projects will be accomplished by contract.

(c) The total estimated cost of all projects is $20,000,000.00.

(d) The tentative completion date is September 30, 2021.

**ONE-TIME APPROPRIATIONS**

Sec. 801. From the funds appropriated in part 1 for drinking water declaration of emergency, the department shall allocate funds to address the following in a city in which a declaration of emergency was issued because of drinking water contamination:

(a) Funding to change the source of water serving the distressed community's public water supply to an alternative reliable source of water.

(b) Staff, lab and testing, and contract costs.

Sec. 803. The department shall provide a report detailing the expenditure of departmental funds appropriated in 2015 PA 143 and 2016 PA 3. The report shall include the following:

(a) The names and locations of entities receiving funds.

(b) The purpose for each expenditure.

(c) The status of programs supported by this funding.

(d) A brief description of how related problems have been or will be resolved if expenditures are made for immediate response.

(e) The job titles and number of departmental FTEs engaged in the Flint declaration of emergency response effort.

ARTICLE VIII
GENERAL GOVERNMENT
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the legislature, the executive, the department of attorney general, the department of state, the department of treasury, the department of technology, management, and budget, the department of civil rights, the department of talent and economic development, and certain state purposes related thereto for the fiscal year ending September 30, 2017, from the following funds:

**TOTAL GENERAL GOVERNMENT**

| | | |
|---|---|---|
| APPROPRIATION SUMMARY | | |
| Full-time equated unclassified positions | 50.0 | |
| Full-time equated classified positions | 8,709.7 | |
| GROSS APPROPRIATION | | $ 4,869,270,600 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 760,158,300 |
| ADJUSTED GROSS APPROPRIATION | | $ 4,109,112,300 |
| Federal revenues: | | |
| Total federal revenues | | 826,723,500 |
| Special revenue funds: | | |
| Total local revenues | | 12,021,000 |
| Total private revenues | | 6,064,500 |
| Total other state restricted revenues | | 2,126,990,600 |
| State general fund/general purpose | | $ 1,137,312,700 |
| **Sec. 102. DEPARTMENT OF ATTORNEY GENERAL** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| Full-time equated unclassified positions | 6.0 | |
| Full-time equated classified positions | 527.0 | |
| GROSS APPROPRIATION | | $ 101,485,800 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 28,989,700 |
| ADJUSTED GROSS APPROPRIATION | | $ 72,496,100 |
| Federal revenues: | | |
| Total federal revenues | | 9,476,700 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 20,178,900 |
| State general fund/general purpose | | $ 42,840,500 |
| **(2) ATTORNEY GENERAL OPERATIONS** | | |
| Full-time equated unclassified positions | 6.0 | |
| Full-time equated classified positions | 522.5 | |
| Attorney general | | $ 112,500 |
| Unclassified positions—5.0 FTE positions | | 754,000 |
| Attorney general operations—479.5 FTE positions | | 86,400,000 |
| Child support enforcement—25.0 FTE positions | | 3,503,800 |
| Prosecuting attorneys coordinating council—12.0 FTE positions | | 2,142,600 |
| Public safety initiative—1.0 FTE position | | 905,800 |
| Sexual assault law enforcement—5.0 FTE positions | | 1,713,500 |
| GROSS APPROPRIATION | | $ 95,532,200 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from MDHHS, health policy | | 206,900 |
| IDG from MDHHS, medical services administration | | 691,200 |
| IDG from MDHHS, WIC | | 152,500 |
| IDG from department of corrections | | 660,300 |
| IDG from MDE | | 595,600 |
| IDG from MDEQ | | 2,009,000 |
| IDG from MDHHS, human services | | 5,932,500 |
| IDG from MDIFS, financial and insurance services | | 1,213,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| IDG from TED, workforce development agency | $ | 89,600 |
| IDG from MDLARA, fireworks safety fund | | 83,000 |
| IDG from MDLARA, health professions | | 3,037,400 |
| IDG from MDLARA, licensing and regulation fees | | 335,600 |
| IDG from MDLARA, Michigan occupational safety and health administration | | 107,700 |
| IDG from MDLARA, remonumentation fees | | 106,100 |
| IDG from MDLARA, securities fees | | 188,300 |
| IDG from MDLARA, unlicensed builders | | 334,700 |
| IDG from MDMVA | | 164,900 |
| IDG from MDOS, children's protection registry | | 45,000 |
| IDG from MDOT, comprehensive transportation fund | | 204,500 |
| IDG from MDOT, state aeronautics fund | | 177,600 |
| IDG from MDOT, state trunkline fund | | 2,429,200 |
| IDG from MDSP | | 257,300 |
| IDG from MDTMB | | 463,800 |
| IDG from MDTMB, civil service commission | | 305,900 |
| IDG from MDTMB, risk management revolving fund | | 1,468,400 |
| IDG from Michigan state housing development authority | | 676,600 |
| IDG from treasury | | 6,874,000 |
| IDG from TED, Michigan strategic fund | | 179,100 |
| Federal revenues: | | |
| DAG, state administrative match grant/food stamps | | 137,000 |
| Federal funds | | 3,145,100 |
| HHS, medical assistance, medigrant | | 384,800 |
| HHS-OS, state Medicaid fraud control units | | 5,688,600 |
| National criminal history improvement program | | 121,200 |
| Special revenue funds: | | |
| Antitrust enforcement collections | | 762,600 |
| Attorney general's operations fund | | 767,000 |
| Auto repair facilities fees | | 327,400 |
| Franchise fees | | 382,400 |
| Game and fish protection fund | | 751,100 |
| Human trafficking commission fund | | 390,000 |
| Lawsuit settlement proceeds fund | | 2,600,000 |
| Liquor purchase revolving fund | | 1,459,200 |
| Manufactured housing fees | | 250,600 |
| Merit award trust fund | | 495,700 |
| Michigan employment security act - administrative fund | | 2,241,500 |
| Prisoner reimbursement | | 625,200 |
| Prosecuting attorneys training fees | | 411,500 |
| Public utility assessments | | 2,077,300 |
| Real estate enforcement fund | | 100,700 |
| Reinstatement fees | | 257,700 |
| Retirement funds | | 1,042,200 |
| Second injury fund | | 821,700 |
| Self-insurers security fund | | 571,200 |
| Silicosis and dust disease fund | | 225,700 |
| State building authority revenue | | 120,900 |
| State casino gaming fund | | 1,861,900 |
| State lottery fund | | 345,100 |
| Utility consumers fund | | 780,800 |
| Waterways fund | | 140,000 |
| Worker's compensation administrative revolving fund | | 369,500 |
| State general fund/general purpose | $ | 36,886,900 |
| **(3) INFORMATION TECHNOLOGY** | | |
| Information technology services and projects | $ | 1,553,600 |
| GROSS APPROPRIATION | $ | 1,553,600 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| State general fund/general purpose | $ | 1,553,600 |
| **(4) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Full-time equated classified positions 4.5 | | |
| Prescription drug abuse enforcement—4.5 FTE positions | $ | 700,000 |
| State defense costs | | 3,000,000 |
| Prosecuting attorneys coordinating council juvenile life without parole cases | | 700,000 |
| GROSS APPROPRIATION | $ | 4,400,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 4,400,000 |
| **Sec. 103. DEPARTMENT OF CIVIL RIGHTS** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| Full-time equated unclassified positions 6.0 | | |
| Full-time equated classified positions 129.0 | | |
| GROSS APPROPRIATION | $ | 16,248,500 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 293,600 |
| ADJUSTED GROSS APPROPRIATION | $ | 15,954,900 |
| Federal revenues: | | |
| Total federal revenues | | 2,763,000 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 18,700 |
| Total other state restricted revenues | | 151,900 |
| State general fund/general purpose | $ | 13,021,300 |
| **(2) CIVIL RIGHTS OPERATIONS** | | |
| Full-time equated unclassified positions 6.0 | | |
| Full-time equated classified positions 127.0 | | |
| Unclassified positions—6.0 FTE positions | $ | 660,300 |
| Civil rights operations—121.0 FTE positions | | 13,831,700 |
| Division on deaf and hard of hearing—6.0 FTE positions | | 798,600 |
| GROSS APPROPRIATION | $ | 15,290,600 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from DTMB | | 293,600 |
| Federal revenues: | | |
| EEOC, state and local antidiscrimination agency contracts | | 1,211,500 |
| HUD, grant | | 1,536,500 |
| Special revenue funds: | | |
| Private revenues | | 18,700 |
| Division on deafness fund | | 93,400 |
| State restricted indirect funds | | 58,500 |
| State general fund/general purpose | $ | 12,078,400 |
| **(3) INFORMATION TECHNOLOGY** | | |
| Information technology services and projects | $ | 707,900 |
| GROSS APPROPRIATION | $ | 707,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| EEOC, state and local antidiscrimination agency contracts | | 15,000 |
| State general fund/general purpose | $ | 692,900 |
| **(4) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Full-time equated classified positions 2.0 | | |
| Division on deaf and hard of hearing—2.0 FTE positions | $ | 250,000 |
| GROSS APPROPRIATION | $ | 250,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 250,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **Sec. 104. EXECUTIVE OFFICE** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| Full-time equated unclassified positions ..... 10.0 | | |
| Full-time equated classified positions ..... 74.2 | | |
| GROSS APPROPRIATION | $ | 5,636,300 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 5,636,300 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 5,636,300 |
| **(2) EXECUTIVE OFFICE OPERATIONS** | | |
| Full-time equated unclassified positions ..... 10.0 | | |
| Full-time equated classified positions ..... 74.2 | | |
| Governor | $ | 159,300 |
| Lieutenant governor | | 111,600 |
| Executive office—74.2 FTE positions | | 4,108,100 |
| Unclassified positions—8.0 FTE positions | | 1,257,300 |
| GROSS APPROPRIATION | $ | 5,636,300 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 5,636,300 |
| **Sec. 105. LEGISLATURE** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 165,555,500 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 5,558,600 |
| ADJUSTED GROSS APPROPRIATION | $ | 159,996,900 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 400,000 |
| Total other state restricted revenues | | 6,245,200 |
| State general fund/general purpose | $ | 153,351,700 |
| **(2) LEGISLATURE** | | |
| Senate | $ | 34,523,700 |
| Senate automated data processing | | 2,500,000 |
| Senate fiscal agency | | 3,779,600 |
| House of representatives | | 53,095,900 |
| House automated data processing | | 2,200,000 |
| House fiscal agency | | 3,779,600 |
| GROSS APPROPRIATION | $ | 99,878,800 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 99,878,800 |
| **(3) LEGISLATIVE COUNCIL** | | |
| Legislative council | $ | 11,981,200 |
| Legislative service bureau automated data processing | | 1,426,600 |
| Worker's compensation | | 151,400 |
| National association dues | | 454,700 |
| Legislative corrections ombudsman | | 729,200 |
| Michigan veterans facility ombudsman | | 150,000 |
| GROSS APPROPRIATION | $ | 14,893,100 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| Special revenue funds: | | |
| Private - gifts and bequests revenues | $ | 400,000 |
| State general fund/general purpose | $ | 14,493,100 |
| **(4) LEGISLATIVE RETIREMENT SYSTEM** | | |
| General nonretirement expenses | $ | 4,962,800 |
| GROSS APPROPRIATION | $ | 4,962,800 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Court fees | | 1,154,600 |
| State general fund/general purpose | $ | 3,808,200 |
| **(5) PROPERTY MANAGEMENT** | | |
| Cora Anderson Building | $ | 11,426,700 |
| Farnum Building and other properties | | 2,851,800 |
| GROSS APPROPRIATION | $ | 14,278,500 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 14,278,500 |
| **(6) STATE CAPITOL HISTORIC SITE** | | |
| General operations | $ | 4,269,200 |
| Restoration, renewal, and maintenance | | 3,121,200 |
| GROSS APPROPRIATION | $ | 7,390,400 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Capitol historic site fund | | 3,121,200 |
| State general fund/general purpose | $ | 4,269,200 |
| **(7) OFFICE OF THE AUDITOR GENERAL** | | |
| Unclassified positions | $ | 329,400 |
| Field operations | | 23,322,500 |
| GROSS APPROPRIATION | $ | 23,651,900 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from MDHHS, human services | | 30,600 |
| IDG from MDLARA, liquor purchase revolving fund | | 28,700 |
| IDG from MDOT, comprehensive transportation fund | | 39,000 |
| IDG from MDOT, Michigan transportation fund | | 315,800 |
| IDG from MDOT, state aeronautics fund | | 30,300 |
| IDG from MDOT, state trunkline fund | | 733,500 |
| IDG, legislative retirement system | | 29,200 |
| IDG, single audit act | | 2,913,100 |
| IDG, commercial mobile radio system emergency telephone fund | | 36,800 |
| IDG, contract audit administration fees | | 41,400 |
| IDG, deferred compensation funds | | 54,400 |
| IDG, Michigan finance authority | | 330,800 |
| IDG, Michigan economic development corporation | | 96,300 |
| IDG, Michigan education trust fund | | 70,800 |
| IDG, Michigan justice training commission fund | | 40,900 |
| IDG, Michigan strategic fund | | 169,100 |
| IDG, office of retirement services | | 218,400 |
| IDG, other restricted funding sources | | 379,500 |
| Special revenue funds: | | |
| 21st century jobs trust fund | | 96,300 |
| Brownfield development fund | | 28,100 |
| Clean Michigan initiative implementation bond fund | | 54,500 |
| Game and fish protection fund | | 31,300 |
| MDTMB, civil service commission | | 166,200 |
| Michigan state housing development authority fees | | 113,500 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Michigan veterans' trust fund | $ | 35,500 |
| Motor transport revolving fund | | 7,400 |
| Office services revolving fund | | 10,000 |
| State disbursement unit, office of child support | | 57,400 |
| State services fee fund | | 1,357,900 |
| Waterways fund | | 11,300 |
| State general fund/general purpose | $ | 16,123,900 |
| **(8) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Criminal justice policy commission study | $ | 500,000 |
| GROSS APPROPRIATION | $ | 500,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 500,000 |
| **Sec. 106. DEPARTMENT OF STATE** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| Full-time equated unclassified positions 6.0 | | |
| Full-time equated classified positions 1,587.0 | | |
| GROSS APPROPRIATION | $ | 248,015,600 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 20,000,000 |
| ADJUSTED GROSS APPROPRIATION | $ | 228,015,600 |
| Federal revenues: | | |
| Total federal revenues | | 1,460,000 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 100 |
| Total other state restricted revenues | | 204,445,900 |
| State general fund/general purpose | $ | 22,109,600 |
| **(2) EXECUTIVE DIRECTION** | | |
| Full-time equated unclassified positions 6.0 | | |
| Full-time equated classified positions 30.0 | | |
| Secretary of state | $ | 112,500 |
| Unclassified positions—5.0 FTE positions | | 628,800 |
| Operations—30.0 FTE positions | | 4,567,200 |
| GROSS APPROPRIATION | $ | 5,308,500 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Auto repair facilities fees | | 68,700 |
| Children's protection registry fund | | 270,700 |
| Driver fees | | 276,000 |
| Enhanced driver license and enhanced official state personal identification card fund | | 216,700 |
| Expedient service fees | | 66,300 |
| Parking ticket court fines | | 9,200 |
| Personal identification card fees | | 32,300 |
| Reinstatement fees - operator licenses | | 248,900 |
| Transportation administration collection fund | | 2,499,800 |
| Vehicle theft prevention fees | | 40,400 |
| State general fund/general purpose | $ | 1,579,500 |
| **(3) DEPARTMENT SERVICES** | | |
| Full-time equated classified positions 117.0 | | |
| Operations—117.0 FTE positions | $ | 25,315,100 |
| GROSS APPROPRIATION | $ | 25,315,100 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Abandoned vehicle fees | | 481,100 |
| Driver fees | | 731,000 |
| Driver improvement course fund | | 308,600 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Enhanced driver license and enhanced official state personal identification card fund | $ | 329,400 |
| Expedient service fees | | 273,600 |
| Marine safety fund | | 85,200 |
| Personal identification card fees | | 193,700 |
| Reinstatement fees - operator licenses | | 537,700 |
| Scrap tire fund | | 78,100 |
| Transportation administration collection fund | | 21,714,300 |
| State general fund/general purpose | $ | 582,400 |
| **(4) LEGAL SERVICES** | | |
| Full-time equated classified positions ... 83.0 | | |
| Operations—83.0 FTE positions | $ | 14,501,500 |
| GROSS APPROPRIATION | $ | 14,501,500 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Auto repair facilities fees | | 3,363,800 |
| Driver education provider and instructor fund | | 25,400 |
| Driver fees | | 2,193,800 |
| Driver responsibility fees | | 1,000,000 |
| Enhanced driver license and enhanced official state personal identification card fund | | 504,900 |
| Personal identification card fees | | 61,700 |
| Reinstatement fees - operator licenses | | 1,463,900 |
| Transportation administration collection fund | | 4,311,100 |
| Vehicle theft prevention fees | | 1,092,600 |
| State general fund/general purpose | $ | 484,300 |
| **(5) CUSTOMER DELIVERY SERVICES** | | |
| Full-time equated classified positions ... 1,312.0 | | |
| Branch operations—922.0 FTE positions | $ | 85,709,100 |
| Central operations—388.0 FTE positions | | 50,115,300 |
| Motorcycle safety education administration—2.0 FTE positions | | 335,500 |
| Motorcycle safety education grants | | 1,800,000 |
| Credit and debit assessment services | | 6,000,000 |
| Organ donor program | | 129,100 |
| GROSS APPROPRIATION | $ | 144,089,000 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from MDOT, Michigan transportation fund | | 20,000,000 |
| Federal revenues: | | |
| Federal funds | | 1,460,000 |
| Special revenue funds: | | |
| Private funds | | 100 |
| Abandoned vehicle fees | | 204,500 |
| Auto repair facilities fees | | 910,400 |
| Child support clearance fees | | 363,600 |
| Credit and debit assessment service fee revenue | | 6,000,000 |
| Driver education provider and instructor fund | | 49,600 |
| Driver fees | | 25,355,100 |
| Driver improvement course fund | | 1,246,200 |
| Enhanced driver license and enhanced official state personal identification card fund | | 9,021,200 |
| Expedient service fees | | 2,603,600 |
| Marine safety fund | | 1,420,400 |
| Michigan state police auto theft fund | | 123,700 |
| Mobile home commission fees | | 507,500 |
| Motorcycle safety fund | | 1,835,500 |
| Off-road vehicle title fees | | 170,400 |
| Parking ticket court fines | | 1,629,800 |
| Personal identification card fees | | 2,319,700 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Recreation passport fee revenue | $ | 1,000,000 |
| Reinstatement fees - operator licenses | | 2,358,000 |
| Snowmobile registration fee revenue | | 390,000 |
| Thomas Daley gift of life fund | | 50,000 |
| Transportation administration collection fund | | 60,920,300 |
| Vehicle theft prevention fees | | 742,200 |
| State general fund/general purpose | $ | 3,407,200 |
| **(6) ELECTION REGULATION** | | |
| Full-time equated classified positions 45.0 | | |
| Election administration and services—45.0 FTE positions | $ | 7,169,100 |
| County clerk education and training fund | | 100,000 |
| Fees to local units | | 109,800 |
| GROSS APPROPRIATION | $ | 7,378,900 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Notary education and training fund | | 100,000 |
| Notary fee fund | | 343,500 |
| State general fund/general purpose | $ | 6,935,400 |
| **(7) DEPARTMENTWIDE APPROPRIATIONS** | | |
| Building occupancy charges/rent | $ | 9,792,000 |
| Worker's compensation | | 254,400 |
| GROSS APPROPRIATION | $ | 10,046,400 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Auto repair facilities fees | | 133,200 |
| Driver fees | | 708,800 |
| Enhanced driver license and enhanced official state personal identification card fund | | 326,000 |
| Parking ticket court fines | | 441,500 |
| Transportation administration collection fund | | 5,904,200 |
| State general fund/general purpose | $ | 2,532,700 |
| **(8) INFORMATION TECHNOLOGY** | | |
| Information technology services and projects | $ | 36,376,200 |
| GROSS APPROPRIATION | $ | 36,376,200 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Administrative order processing fee | | 11,700 |
| Auto repair facilities fees | | 129,300 |
| Driver fees | | 787,400 |
| Enhanced driver license and enhanced official state personal identification card fund | | 327,500 |
| Expedient service fees | | 1,085,100 |
| Parking ticket court fines | | 89,000 |
| Personal identification card fees | | 173,300 |
| Reinstatement fees - operator licenses | | 592,300 |
| Transportation administration collection fund | | 31,411,500 |
| Vehicle theft prevention fees | | 181,000 |
| State general fund/general purpose | $ | 1,588,100 |
| **(9) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Election administration and services | $ | 5,000,000 |
| GROSS APPROPRIATION | $ | 5,000,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 5,000,000 |
| **Sec. 107. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| Full-time equated unclassified positions 6.0 | | |
| Full-time equated classified positions 2,877.0 | | |
| GROSS APPROPRIATION | $ | 1,301,191,700 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | $ | 694,054,100 |
| ADJUSTED GROSS APPROPRIATION | $ | 607,137,600 |
| Federal revenues: | | |
| Total federal revenues | | 4,958,200 |
| Special revenue funds: | | |
| Total local revenues | | 2,320,000 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 114,340,800 |
| State general fund/general purpose | $ | 485,518,600 |
| **(2) EXECUTIVE DIRECTION** | | |
| Full-time equated unclassified positions 6.0 | | |
| Full-time equated classified positions 12.0 | | |
| Unclassified positions—6.0 FTE positions | $ | 1,001,400 |
| Executive operations—12.0 FTE positions | | 2,376,000 |
| GROSS APPROPRIATION | $ | 3,377,400 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from building occupancy and parking charges | | 249,700 |
| IDG from technology user fees | | 2,074,400 |
| Special revenue funds: | | |
| Special revenue, internal service, and pension trust funds | | 289,200 |
| State general fund/general purpose | $ | 764,100 |
| **(3) DEPARTMENT SERVICES** | | |
| Full-time equated classified positions 730.5 | | |
| Administrative services—123.5 FTE positions | $ | 15,974,800 |
| Budget and financial management—160.0 FTE positions | | 23,073,200 |
| Office of the state employer—23.0 FTE positions | | 3,417,300 |
| Design and construction services—40.0 FTE positions | | 6,477,000 |
| Business support services—97.0 FTE positions | | 11,469,600 |
| Building operation services—210.0 FTE positions | | 92,416,200 |
| Building occupancy charges, rent, and utilities | | 7,494,200 |
| Motor vehicle fleet—35.0 FTE positions | | 74,260,100 |
| Information technology services and projects | | 32,630,500 |
| Bureau of labor market information and strategies—42.0 FTE positions | | 5,475,100 |
| GROSS APPROPRIATION | $ | 272,688,000 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from accounting service centers user charges | | 2,698,000 |
| IDG from building occupancy and parking charges | | 94,647,900 |
| IDG from MDHHS, community health | | 484,500 |
| IDG from MDHHS, human services | | 215,400 |
| IDG from MDLARA | | 100,000 |
| IDG from motor transport fund | | 74,260,100 |
| IDG from technology user fees | | 7,658,600 |
| IDG from user fees | | 6,754,000 |
| Federal revenues: | | |
| Federal funds | | 4,958,200 |
| Special revenue funds: | | |
| Local - MPSCS subscriber and maintenance fees | | 61,700 |
| Local revenues | | 35,000 |
| Deferred compensation | | 2,600 |
| Health management funds | | 2,257,200 |
| MAIN user charges | | 4,337,600 |
| Other agency charges | | 1,178,700 |
| Pension trust funds | | 10,082,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Special revenue, internal service, and pension trust funds | $ | 17,168,300 |
| State restricted indirect funds | | 3,392,200 |
| State general fund/general purpose | $ | 42,396,000 |
| **(4) TECHNOLOGY SERVICES** | | |
| Full-time equated classified positions ... 1,487.5 | | |
| Education services—29.0 FTE positions | $ | 4,106,500 |
| Health and human services—617.5 FTE positions | | 291,972,300 |
| Public protection—154.5 FTE positions | | 55,832,600 |
| Resources services—146.5 FTE positions | | 20,283,500 |
| Transportation services—89.5 FTE positions | | 31,739,300 |
| General services—331.5 FTE positions | | 98,027,300 |
| Enterprisewide information technology investment projects | | 9,500,000 |
| General government and public safety information technology investment projects | | 18,000,000 |
| MAIN system replacement information technology investment project | | 35,500,000 |
| Cyber security information technology investment project | | 2,000,000 |
| Homeland security initiative/cyber security—13.0 FTE positions | | 13,118,200 |
| Michigan public safety communication system—100.0 FTE positions | | 40,094,800 |
| Enterprise identity management—6.0 FTE positions | | 6,700,000 |
| GROSS APPROPRIATION | $ | 626,874,500 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from technology user fees | | 501,961,500 |
| Special revenue funds: | | |
| Local - MPSCS subscriber and maintenance fees | | 2,223,300 |
| State general fund/general purpose | $ | 122,689,700 |
| **(5) STATEWIDE APPROPRIATIONS** | | |
| Professional development fund - NERE | $ | 250,000 |
| Professional development fund - UAW | | 700,000 |
| GROSS APPROPRIATION | $ | 950,000 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from employer contributions | | 950,000 |
| State general fund/general purpose | $ | 0 |
| **(6) SPECIAL PROGRAMS** | | |
| Full-time equated classified positions ... 197.0 | | |
| Building occupancy charges - property management services for executive/legislative building occupancy | $ | 1,154,500 |
| Retirement services—167.0 FTE positions | | 28,724,900 |
| Office of children's ombudsman—14.0 FTE positions | | 1,801,600 |
| Office of urban initiatives—5.0 FTE positions | | 1,012,200 |
| School reform office operations—11.0 FTE positions | | 2,318,300 |
| Public private partnership | | 1,500,000 |
| Regional prosperity grants | | 2,500,000 |
| GROSS APPROPRIATION | $ | 39,011,500 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Deferred compensation | | 2,800,000 |
| Pension trust funds | | 20,548,100 |
| Public private partnership investment fund | | 1,500,000 |
| State general fund/general purpose | $ | 14,163,400 |
| **(7) STATE BUILDING AUTHORITY RENT** | | |
| State building authority rent - state agencies | $ | 49,665,800 |
| State building authority rent - department of corrections | | 21,029,900 |
| State building authority rent - universities | | 144,995,300 |
| State building authority rent - community colleges | | 30,879,600 |
| GROSS APPROPRIATION | $ | 246,570,600 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| State general fund/general purpose | $ | 246,570,600 |
| **(8) CIVIL SERVICE COMMISSION** | | |
| Full-time equated classified positions 450.0 | | |
| Agency services—74.0 FTE positions | $ | 13,103,100 |
| Executive direction—40.0 FTE positions | | 8,894,300 |
| Employee benefits—16.0 FTE positions | | 5,704,000 |
| Human resources operations—320.0 FTE positions | | 38,463,100 |
| Information technology services and projects | | 3,354,300 |
| GROSS APPROPRIATION | $ | 69,518,800 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State restricted funds 1% | | 30,702,500 |
| State restricted indirect funds | | 8,592,200 |
| State sponsored group insurance | | 8,640,200 |
| State general fund/general purpose | $ | 21,583,900 |
| **(9) CAPITAL OUTLAY** | | |
| Major special maintenance, remodeling, and addition for state agencies | $ | 2,000,000 |
| Enterprisewide special maintenance for state facilities | | 26,000,000 |
| GROSS APPROPRIATION | $ | 28,000,000 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from building occupancy charges | | 2,000,000 |
| State general fund/general purpose | $ | 26,000,000 |
| **(10) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Information technology investment fund one-time augmentation | $ | 4,500,000 |
| Enterprisewide special maintenance for state facilities | | 1,600,900 |
| Office of retirement services information technology modernization and enterprise mandates | | 2,850,000 |
| Legal services | | 5,000,000 |
| Special projects | | 250,000 |
| GROSS APPROPRIATION | $ | 14,200,900 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Pension trust funds | | 2,850,000 |
| State general fund/general purpose | $ | 11,350,900 |
| **Sec. 108. DEPARTMENT OF TREASURY** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| Full-time equated unclassified positions 10.0 | | |
| Full-time equated classified positions 1,906.5 | | |
| GROSS APPROPRIATION | $ | 1,885,142,900 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 11,262,300 |
| ADJUSTED GROSS APPROPRIATION | $ | 1,873,880,600 |
| Federal revenues: | | |
| Total federal revenues | | 39,920,800 |
| Special revenue funds: | | |
| Total local revenues | | 9,201,000 |
| Total private revenues | | 26,700 |
| Total other state restricted revenues | | 1,589,286,300 |
| State general fund/general purpose | $ | 235,445,800 |
| **(2) EXECUTIVE DIRECTION** | | |
| Full-time equated unclassified positions 10.0 | | |
| Full-time equated classified positions 52.0 | | |
| Unclassified positions—10.0 FTE positions | $ | 995,500 |
| Executive direction and operations—52.0 FTE positions | | 9,328,400 |
| GROSS APPROPRIATION | $ | 10,323,900 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| Federal revenues: | | |
| DED-OPSE, federal lenders allowance | $ | 20,000 |
| DED-OPSE, higher education act of 1965 insured loans | | 45,000 |
| Special revenue funds: | | |
| Local - city income tax fund | | 101,900 |
| Delinquent tax collection revenue | | 2,159,800 |
| State lottery fund | | 288,700 |
| State services fee fund | | 328,200 |
| State general fund/general purpose | $ | 7,380,300 |
| **(3) DEPARTMENTWIDE APPROPRIATIONS** | | |
| Rent and building occupancy charges - property management services | $ | 6,047,400 |
| Worker's compensation insurance premium | | 36,400 |
| GROSS APPROPRIATION | $ | 6,083,800 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Delinquent tax collection revenue | | 2,890,600 |
| State general fund/general purpose | $ | 3,193,200 |
| **(4) LOCAL GOVERNMENT PROGRAMS** | | |
| Full-time equated classified positions ... 111.0 | | |
| Supervision of the general property tax law—86.0 FTE positions | $ | 14,590,200 |
| Property tax assessor training—4.0 FTE positions | | 1,040,400 |
| Local finance—21.0 FTE positions | | 2,607,000 |
| GROSS APPROPRIATION | $ | 18,237,600 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Local - assessor training fees | | 1,040,400 |
| Local - audit charges | | 825,800 |
| Local - equalization study chargebacks | | 40,000 |
| Local - revenue from local government | | 100,000 |
| Land reutilization fund | | 2,044,000 |
| Municipal finance fees | | 544,900 |
| Delinquent tax collection revenue | | 1,514,700 |
| State general fund/general purpose | $ | 12,127,800 |
| **(5) TAX PROGRAMS** | | |
| Full-time equated classified positions ... 774.0 | | |
| Tax compliance—340.0 FTE positions | $ | 45,075,300 |
| Tax and economic policy—75.0 FTE positions | | 11,570,600 |
| Tax processing—331.0 FTE positions | | 37,376,900 |
| Health insurance claims fund program—15.0 FTE positions | | 2,070,500 |
| Home heating assistance | | 3,086,200 |
| Bottle act implementation | | 250,000 |
| Tobacco tax enforcement—13.0 FTE positions | | 1,509,100 |
| GROSS APPROPRIATION | $ | 100,938,600 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from MDOT, Michigan transportation fund | | 2,284,100 |
| IDG from MDOT, state aeronautics fund | | 72,200 |
| Federal revenues: | | |
| HHS-SSA, low-income energy assistance | | 3,086,200 |
| Special revenue funds: | | |
| Bottle deposit fund | | 250,000 |
| Delinquent tax collection revenue | | 70,557,200 |
| Emergency 911 fund | | 158,700 |
| Health insurance claims fund | | 2,070,500 |
| Tobacco tax revenue | | 4,109,300 |
| Waterways fund | | 107,100 |
| State general fund/general purpose | $ | 18,243,300 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **(6) FINANCIAL AND ADMINISTRATIVE SERVICES** | | |
| Full-time equated classified positions ..... 381.0 | | |
| Departmental services—88.0 FTE positions | $ | 9,180,500 |
| Unclaimed property—29.0 FTE positions | | 4,835,300 |
| Office of collections—202.0 FTE positions | | 26,255,100 |
| Office of accounting services—24.0 FTE positions | | 2,491,400 |
| Office of financial services—38.0 FTE positions | | 4,478,500 |
| GROSS APPROPRIATION | $ | 47,240,800 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG, levy/warrant cost assessment fees | | 2,335,000 |
| IDG, state agency collection fees | | 4,353,400 |
| IDG from MDHHS, title IV-D | | 776,000 |
| IDG data/collection service fees | | 336,600 |
| IDG from accounting service center user charges | | 494,500 |
| Special revenue funds: | | |
| Delinquent tax collection revenue | | 27,387,100 |
| Escheats revenue | | 4,835,300 |
| Justice system fund | | 428,100 |
| Garnishment fees | | 2,638,600 |
| State restricted indirect funds | | 278,600 |
| Treasury fees | | 47,200 |
| State general fund/general purpose | $ | 3,330,400 |
| **(7) FINANCIAL PROGRAMS** | | |
| Full-time equated classified positions ..... 210.5 | | |
| Investments—82.0 FTE positions | $ | 20,594,200 |
| Common cash and debt management—21.5 FTE positions | | 1,666,200 |
| Student financial assistance programs—25.5 FTE positions | | 2,683,300 |
| Michigan finance authority - bond finance—72.5 FTE positions | | 38,856,600 |
| John R. Justice grant program | | 288,100 |
| Dual enrollment payments | | 1,507,600 |
| Financial independence team—9.0 FTE positions | | 3,729,500 |
| GROSS APPROPRIATION | $ | 69,325,500 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG, fiscal agent service fees | | 210,500 |
| Federal revenues: | | |
| DED-OPSE, federal lenders allowance | | 10,686,100 |
| DED-OPSE, higher education act of 1965, insured loans | | 25,169,600 |
| Federal - John R. Justice grant | | 288,100 |
| Special revenue funds: | | |
| Defined contribution administrative fee revenue | | 100,000 |
| Michigan finance authority bond and loan program revenue | | 3,000,900 |
| Michigan merit award trust fund | | 1,163,800 |
| Retirement funds | | 19,016,000 |
| School bond fees | | 854,300 |
| Treasury fees | | 1,694,600 |
| State general fund/general purpose | $ | 7,141,600 |
| **(8) DEBT SERVICE** | | |
| Quality of life bond | $ | 28,687,000 |
| Clean Michigan initiative | | 89,477,000 |
| Great Lakes water quality bond | | 18,873,000 |
| GROSS APPROPRIATION | $ | 137,037,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 137,037,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **(9) GRANTS** | | |
| Convention facility development distribution | $ | 90,950,000 |
| Senior citizen cooperative housing tax exemption program | | 10,520,000 |
| Emergency 911 payments | | 27,000,000 |
| Health and safety fund grants | | 9,000,000 |
| Beat the streets | | 100,000 |
| Gianna house | | 100,000 |
| Student loan delinquency counseling pilot program | | 345,600 |
| Lenawee intermediate school district plasma cutting machine matching grant | | 76,000 |
| GROSS APPROPRIATION | $ | 138,091,600 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Emergency 911 fund | | 27,000,000 |
| Convention facility development fund | | 90,950,000 |
| Health and safety fund | | 9,000,000 |
| State general fund/general purpose | $ | 11,141,600 |
| **(10) BUREAU OF STATE LOTTERY** | | |
| Full-time equated classified positions ... 183.0 | | |
| Lottery operations—183.0 FTE positions | $ | 24,760,300 |
| Lottery information technology services and projects | | 5,239,600 |
| GROSS APPROPRIATION | $ | 29,999,900 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State lottery fund | | 29,999,900 |
| State general fund/general purpose | $ | 0 |
| **(11) CASINO GAMING** | | |
| Full-time equated classified positions ... 142.0 | | |
| Michigan gaming control board | $ | 50,000 |
| Casino gaming control operations—132.0 FTE positions | | 26,196,700 |
| Casino gaming information technology services and projects | | 2,012,700 |
| Racing commission—10.0 FTE positions | | 2,462,600 |
| GROSS APPROPRIATION | $ | 30,722,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Casino gambling agreements | | 942,700 |
| Equine development fund | | 2,085,300 |
| Laboratory fees | | 700,000 |
| State services fee fund | | 26,994,000 |
| State general fund/general purpose | $ | 0 |
| **(12) PAYMENTS IN LIEU OF TAXES** | | |
| Commercial forest reserve | $ | 3,368,100 |
| Purchased lands | | 8,425,100 |
| Swamp and tax reverted lands | | 15,605,600 |
| GROSS APPROPRIATION | $ | 27,398,800 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Private funds | | 26,700 |
| Game and fish protection fund | | 2,919,700 |
| Michigan natural resources trust fund | | 2,004,600 |
| Michigan state waterways fund | | 253,200 |
| State general fund/general purpose | $ | 22,194,600 |
| **(13) REVENUE SHARING** | | |
| Constitutional state general revenue sharing grants | $ | 757,875,200 |
| County revenue sharing payments | | 174,234,000 |
| County incentive program | | 43,033,500 |
| City, village, and township revenue sharing | | 243,040,000 |
| Financially distressed cities, villages, or townships | | 5,000,000 |
| GROSS APPROPRIATION | $ | 1,223,182,700 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| Special revenue funds: | | |
| Sales tax | $ | 1,223,182,700 |
| State general fund/general purpose | $ | 0 |
| **(14) STATE BUILDING AUTHORITY** | | |
| Full-time equated classified positions ... 4.0 | | |
| State building authority—4.0 FTE positions | $ | 725,200 |
| GROSS APPROPRIATION | $ | 725,200 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State building authority revenue | | 725,200 |
| State general fund/general purpose | $ | 0 |
| **(15) CITY INCOME TAX ADMINISTRATION PROGRAM** | | |
| Full-time equated classified positions ... 49.0 | | |
| City income tax administration program—49.0 FTE positions | $ | 5,879,100 |
| GROSS APPROPRIATION | $ | 5,879,100 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Local - city income tax fund | | 5,879,100 |
| State general fund/general purpose | $ | 0 |
| **(16) INFORMATION TECHNOLOGY** | | |
| Treasury operations information technology services and projects | $ | 30,813,800 |
| GROSS APPROPRIATION | $ | 30,813,800 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from MDOT, Michigan transportation fund | | 400,000 |
| Federal revenues: | | |
| DED-OPSE, federal lender allowance | | 625,800 |
| Special revenue funds: | | |
| Local - city income tax fund | | 1,213,800 |
| Delinquent tax collection revenue | | 17,365,400 |
| Retirement funds | | 766,300 |
| Tobacco tax revenue | | 129,000 |
| State general fund/general purpose | $ | 10,313,500 |
| **(17) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| City, village, and township revenue sharing | $ | 5,800,000 |
| Free individual tax e-file | | 2,842,500 |
| Urban search and rescue | | 500,000 |
| Drinking water declaration of emergency | | 100 |
| GROSS APPROPRIATION | $ | 9,142,600 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Sales tax | | 5,800,000 |
| Drinking water declaration of emergency reserve fund | | 100 |
| State general fund/general purpose | $ | 3,342,500 |
| **Sec. 109. DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| Full-time equated unclassified positions ... 6.0 | | |
| Full-time equated classified positions ... 1,609.0 | | |
| GROSS APPROPRIATION | $ | 1,145,994,300 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 1,145,994,300 |
| Federal revenues: | | |
| Total federal revenues | | 768,144,800 |
| Special revenue funds: | | |
| Total local revenues | | 500,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Total private revenues | $ | 5,619,000 |
| Total other state restricted revenues | | 192,341,600 |
| State general fund/general purpose | $ | 179,388,900 |
| **(2) DEPARTMENTAL ADMINISTRATION** | | |
| Full-time equated unclassified positions 6.0 | | |
| Full-time equated classified positions 1.0 | | |
| Unclassified positions—6.0 FTE positions | $ | 897,400 |
| Executive direction and operations—1.0 FTE position | | 812,900 |
| GROSS APPROPRIATION | $ | 1,710,300 |
| Appropriated from: | | |
| Federal revenues: | | |
| DOL-ETA, unemployment insurance | | 931,600 |
| DOL, federal funds | | 247,600 |
| Special revenue funds: | | |
| Michigan state housing development authority fees and charges | | 400,800 |
| State general fund/general purpose | $ | 130,300 |
| **(3) MICHIGAN STRATEGIC FUND** | | |
| Full-time equated classified positions 194.0 | | |
| Administrative services—34.0 FTE positions | $ | 5,743,600 |
| Job creation services—160.0 FTE positions | | 22,198,400 |
| Pure Michigan | | 34,000,000 |
| Entrepreneurship ecosystem | | 19,400,000 |
| Business attraction and community revitalization | | 101,500,000 |
| Community development block grants | | 47,000,000 |
| Arts and cultural program | | 10,150,000 |
| Community college skilled trades equipment program debt service | | 4,600,000 |
| Facility for rare isotope beams | | 7,300,000 |
| GROSS APPROPRIATION | $ | 251,892,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| DOL, federal funds | | 2,326,300 |
| DOL-ETA, unemployment insurance | | 287,000 |
| HUD-CPD community development block grant | | 49,773,300 |
| NFAH-NEA, promotion of the arts, partnership agreements | | 1,050,000 |
| Special revenue funds: | | |
| Private - special project advances | | 250,000 |
| Private - Michigan council for the arts fund | | 100,000 |
| Industry support fees | | 5,500 |
| 21st century jobs trust fund | | 75,000,000 |
| Michigan film promotion fund | | 400,000 |
| Michigan state housing development authority fees and charges | | 4,609,000 |
| State general fund/general purpose | $ | 118,090,900 |
| **(4) TALENT INVESTMENT AGENCY** | | |
| Full-time equated classified positions 1,092.0 | | |
| Executive direction—7.0 FTE positions | $ | 1,175,600 |
| Workforce program administration—225.0 FTE positions | | 33,169,900 |
| Workforce development programs | | 387,022,900 |
| Skilled trades training program | | 30,900,000 |
| Community ventures—7.0 FTE positions | | 9,800,000 |
| Unemployment insurance agency—853.0 FTE positions | | 139,065,500 |
| Information technology services and projects - TIA | | 22,501,000 |
| GROSS APPROPRIATION | $ | 623,634,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| DAG, employment and training | | 3,499,400 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| DED-OESE, GEAR-UP | $ | 4,730,700 |
| DED-OVAE, adult education | | 20,000,000 |
| DED-OVAE, basic grants to states | | 19,000,000 |
| DOL, federal funds | | 109,353,800 |
| DOL-ETA, workforce investment act | | 173,988,600 |
| DOL-ETA, unemployment insurance | | 139,457,500 |
| Federal funds | | 5,940,200 |
| Social security act, temporary assistance to needy families | | 64,898,800 |
| Special revenue funds: | | |
| Local revenues | | 500,000 |
| Private funds | | 5,269,000 |
| Contingent fund, penalty and interest account | | 48,635,300 |
| Defaulted loan collection fees | | 152,500 |
| State general fund/general purpose | $ | 28,209,100 |
| **(5) LAND BANK FAST TRACK AUTHORITY** | | |
| Full-time equated classified positions ... 6.0 | | |
| Land bank fast track authority—6.0 FTE positions | $ | 5,256,400 |
| GROSS APPROPRIATION | $ | 5,256,400 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 1,000,000 |
| Special revenue funds: | | |
| Land bank fast track fund | | 297,800 |
| State general fund/general purpose | $ | 3,958,600 |
| **(6) MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY** | | |
| Full-time equated classified positions ... 316.0 | | |
| Payments on behalf of tenants | $ | 166,860,000 |
| Housing and rental assistance—316.0 FTE positions | | 51,248,200 |
| Lighthouse preservation program | | 307,500 |
| Rent and administrative support | | 3,721,000 |
| Information technology services and projects - MSHDA | | 3,585,500 |
| GROSS APPROPRIATION | $ | 225,722,200 |
| Appropriated from: | | |
| Federal funds: | | |
| HUD, lower income housing assistance | | 166,860,000 |
| Special revenue funds: | | |
| Michigan state housing development authority fees and charges | | 58,554,700 |
| Michigan lighthouse preservation program | | 307,500 |
| State general fund/general purpose | $ | 0 |
| **(7) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| MSF, business attraction and community revitalization | $ | 13,999,900 |
| Special grants | | 12,000,000 |
| Statewide data system integration | | 8,778,500 |
| Sustainable employment pilot program | | 100 |
| Protect and grow | | 3,000,000 |
| GROSS APPROPRIATION | $ | 37,778,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 4,800,000 |
| Special revenue funds: | | |
| Contingent fund, penalty and interest account | | 3,978,500 |
| State general fund/general purpose | $ | 29,000,000 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $3,264,303,300.00 and state spending from state resources to be paid

to local units of government for fiscal year 2016-2017 is $1,427,689,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

| | | |
|---|---|---|
| DEPARTMENT OF STATE | | |
| Fees to local units | $ | 109,800 |
| Motorcycle safety grants | | 1,101,500 |
| Subtotal | $ | 1,211,300 |
| DEPARTMENT OF TREASURY | | |
| Senior citizen cooperative housing tax exemption | $ | 10,520,000 |
| Health and safety fund grants | | 9,000,000 |
| Constitutional state general revenue sharing grants | | 757,875,200 |
| City, village, and township revenue sharing | | 248,840,000 |
| Convention facility development fund distribution | | 90,950,000 |
| Emergency 9-1-1 payments | | 23,800,000 |
| Financially distressed cities, villages, or townships | | 5,000,000 |
| County incentive program | | 43,033,500 |
| County revenue sharing payments | | 174,234,000 |
| Airport parking distribution pursuant to section 909 | | 24,601,900 |
| Payments in lieu of taxes | | 27,398,800 |
| Subtotal | $ | 1,415,253,400 |
| DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT | | |
| Welfare-to-work programs | $ | 11,224,800 |
| Subtotal | $ | 11,224,800 |
| TOTAL GENERAL GOVERNMENT | $ | 1,427,689,500 |

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2016-2017 is estimated at $30,991,536,400.00 in the 2016-2017 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2016-2017 is estimated at $17,174,886,500.00. The state-local proportion is estimated at 55.4% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2016-2017 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2016-2017 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2016-2017.

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "ATM" means automated teller machine.

(b) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat 82.

(c) "DAG" means the United States Department of Agriculture.

(d) "DED" means the United States Department of Education.

(e) "DED-OESE" means the DED Office of Elementary and Secondary Education.

(f) "DED-OPSE" means the DED Office of Postsecondary Education.

(g) "DED-OVAE" means the DED Office of Vocational and Adult Education.

(h) "DOE-OEERE" means the United States Department of Energy, Office of Energy Efficiency and Renewable Energy.

(i) "DOL" means the United States Department of Labor.

(j) "DOL-ETA" means the United States Department of Labor, Employment and Training Administration.

(k) "EEOC" means the United States Equal Employment Opportunity Commission.

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

(m) "Fund" means the Michigan strategic fund.

(n) "GEAR-UP" means gaining early awareness and readiness for undergraduate programs.

(o) "GED" means a general educational development certificate.

(p) "GF/GP" means general fund/general purpose.

(q) "HHS" means the United States Department of Health and Human Services.

(r) "HHS-OS" means the HHS Office of the Secretary.

(s) "HHS-SSA" means the HHS Social Security Administration.

(t) "HUD" means the United States Department of Housing and Urban Development.

(u) "HUD-CPD" means the United States Department of Housing and Urban Development - Community Planning and Development.

(v) "IDG" means interdepartmental grant.

(w) "JCOS" means the joint capital outlay subcommittee.

(x) "MAIN" means the Michigan administrative information network.

(y) "MCL" means the Michigan Compiled Laws.

(z) "MDE" means the Michigan department of education.

(aa) "MDLARA" means the Michigan department of licensing and regulatory affairs.

(bb) "MDEQ" means the Michigan department of environmental quality.

(cc) "MDHHS" means the Michigan department of health and human services.

(dd) "MDMVA" means the Michigan department of military and veterans affairs.

(ee) "MDOT" means the Michigan department of transportation.

(ff) "MDSP" means the Michigan department of state police.

(gg) "MDTMB" means the Michigan department of technology, management, and budget.

(hh) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

(ii) "MFA" means the Michigan finance authority.

(jj) "MPE" means the Michigan public employees.

(kk) "MSF" means the Michigan strategic fund.

(*ll*) "MSHDA" means the Michigan state housing development authority.

(mm) "NERE" means nonexclusively represented employees.

(nn) "NFAH-NEA" means the National Foundation of the Arts and the Humanities - National Endowment for the Arts.

(oo) "PA" means public act.

(pp) "PATH" means Partnership. Accountability. Training. Hope.

(qq) "RFP" means a request for a proposal.

(rr) "SEIU" means Service Employees International Union.

(ss) "WDA" means the workforce development agency.

(tt) "WIC" means women, infants, and children.

Sec. 206. The departments and agencies receiving appropriations in part 1 shall cooperate with the department of technology, management, and budget to maintain a searchable website that is updated at least quarterly and that is accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director of each department and agency receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. (1) Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, which provides for a transfer of state general fund revenue into or out of the countercyclical budget and economic stabilization fund, the calculations required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, are determined as follows:

| | 2015 | 2016 | 2017 |
|---|---|---|---|
| Michigan personal income (millions). | $421,044 | $436,623 | $453,651 |
| less: transfer payments | 91,527 | 96,012 | 101,044 |
| Subtotal | $329,517 | $340,611 | $352,647 |
| Divided by: Detroit consumer price index for 12 months ending June 30 | 2.195 | 2.191 | 2.223 |
| Equals: real adjusted Michigan personal income | $150,122 | $155,487 | $158,618 |
| Percentage change | N/A | 3.6% | 2.0% |

| | | | |
|---|---|---|---|
| Growth rate in excess of 2%? | N/A | 1.6% | 0.0% |
| Equals: countercyclical budget and economic stabilization fund pay-in calculation for the fiscal year ending September 30, 2017 (millions) | N/A | $155.7 | N/A |
| Growth rate less than 0%? | N/A | NO | NO |
| Equals: countercyclical budget and economic stabilization fund pay-out calculation for the fiscal year ending September 30, 2017 (millions) | N/A | N/A | $0.0 |

(2) Notwithstanding subsection (1), there is appropriated for the fiscal year ending September 30, 2017, from GF/GP revenue for deposit into the countercyclical budget and economic stabilization fund the sum of $0.00.

(3) In addition to the appropriation to the countercyclical budget and economic stabilization fund in subsection (2), there is appropriated to the countercyclical budget and economic stabilization fund for the fiscal year ending September 30, 2017, 25% of fiscal year 2016-2017 general fund/general purpose unassigned fund balance recorded as part of the state book closing process for the 2016-2017 fiscal year.

Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 213. Funds appropriated in part 1 shall not be used by this state, a department, an agency, or an authority of this state to purchase an ownership interest in a casino enterprise or a gambling operation as those terms are defined in the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.

Sec. 215. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate standing committees on appropriations, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence, including the proportion funded with state GF/GP revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 217. General fund appropriations in part 1 shall not be expended for items in cases where federal funding or private grant funding is available for the same expenditures.

Sec. 219. The departments and agencies receiving appropriations in part 1 shall maintain, on a publicly accessible website, a department or agency scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's or agency's performance.

Sec. 221. Each department and agency shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house of representatives standing committees on appropriations subcommittees on general government, the joint committee on administrative rules, and the senate and house fiscal agencies.

Sec. 226. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside legal services that the attorney general authorizes.

Sec. 227. Within 14 days after the release of the executive budget recommendation, the departments and agencies receiving appropriations in part 1 shall cooperate with the state budget director to provide the chairs of the senate and house of representatives standing committees on appropriations, the chairs of the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2016 and September 30, 2017.

Sec. 228. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total GF/GP appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end GF/GP appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 229. If the office of the auditor general has identified an initiative or made a recommendation that is related to savings and efficiencies in an audit report for an executive branch department or agency, the department or agency shall report within 6 months of the release of the audit on their efforts and progress made toward achieving the savings

and efficiencies identified in the audit report. The report shall be submitted to the chairs of the senate and house of representatives standing committees on appropriations, the chairs of the senate and house of representatives standing committees with jurisdiction over matters relating to the department that is audited, and the senate and house fiscal agencies.

Sec. 233. In addition to the GF/GP appropriations for special maintenance, remodeling, and addition - state facilities in part 1, there is also appropriated related federal and state restricted funds up to the amounts that will be earned based upon the initiatives undertaken with the funds in part 1. The state budget director shall determine and authorize the appropriate manner for implementing this section.

Sec. 234. In addition to the GF/GP appropriations for enterprisewide information technology investments in part 1, there is also appropriated related federal and state restricted funds up to the amounts that will be earned based upon the initiatives undertaken with the funds in part 1. The state budget director shall determine and authorize the appropriate manner for implementing this section.

Sec. 235. By April 1, the state budget director shall submit a report to the senate and house appropriations committees and the senate and house fiscal agencies. The report shall recommend a contingency plan for each federal funding source included in the state budget of $10,000,000.00 or more in the event that the federal government reduces funding to the state through that source by 10% or greater.

Sec. 240. (1) Concurrently with the submission of the fiscal year 2017-2018 executive budget recommendations, the state budget office shall provide the senate and house appropriations committees, the senate and house fiscal agencies, and the policy offices, a report that lists each new program or program enhancement for which funds in excess of $500,000.00 are appropriated in part 1 of each departmental appropriation act.

(2) By July 1, 2017, the state budget director and the chairs of the senate and house appropriations committees shall identify new programs or program enhancements identified under subsection (1) for measurement using program–specific metrics, in addition to the metrics required under section 447 of the management and budget act, 1984 PA 431, MCL 18.1447.

(3) By September 30, 2018, the state budget office shall provide a report on the specific metrics and the progress in meeting the estimated performance for each program identified under subsection (2) to the senate and house appropriations committees, the senate and house appropriations subcommittees on each state department, and the senate and house fiscal agencies and policy offices. It is the intent of the legislature that the governor consider the estimated performance of the new program or program enhancement as the basis for any increase in funds appropriated from the prior year.

**DEPARTMENT OF ATTORNEY GENERAL**

Sec. 301. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 302. (1) The attorney general shall perform all legal services, including representation before courts and administrative agencies rendering legal opinions and providing legal advice to a principal executive department or state agency. A principal executive department or state agency shall not employ or enter into a contract with any other person for services described in this section.

(2) The attorney general shall defend judges of all state courts if a claim is made or a civil action is commenced for injuries to persons or property caused by the judge through the performance of the judge's duties while acting within the scope of his or her authority as a judge.

(3) The attorney general shall perform the duties specified in 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to 14.102, and as otherwise provided by law.

Sec. 303. The attorney general may sell copies of the biennial report in excess of the 350 copies that the attorney general may distribute on a gratis basis. Gratis copies shall not be provided to members of the legislature. Electronic copies of biennial reports shall be made available on the department of attorney general's website. The attorney general shall sell copies of the report at not less than the actual cost of the report and shall deposit the money received into the general fund.

Sec. 304. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

Sec. 305. In addition to the funds appropriated in part 1, not more than $400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the department of health and human services, the Prosecuting Attorneys Association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States Department of Agriculture regulations and that, once earned by this state, the funds become state funds.

Sec. 306. Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products by the attorney general are state funds and are subject to appropriation as provided by law.

Sec. 307. (1) In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed $250,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases.

(2) Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, may be carried forward for expenditure in the following fiscal year up to the maximum authorization of $250,000.00.

Sec. 308. (1) In addition to the funds appropriated in part 1, there is appropriated up to $1,000,000.00 from litigation expense reimbursements awarded to the state.

(2) The funds may be expended for the payment of court judgments, settlements, arbitration awards or other administrative and litigation decisions, attorney fees, and litigation costs, assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

(3) Unexpended funds at the end of the fiscal year may be carried forward for expenditure in the following year, up to a maximum authorization of $1,000,000.00.

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to $625,200.00 on activities related to the state correctional facility reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of $1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of $1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners.

Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the department of health and human services, as the state IV-D agency, shall maintain a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.

(2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court-ordered child support.

Sec. 312. The department of attorney general shall not receive and expend funds in addition to those authorized in part 1 for legal services provided specifically to other state departments or agencies except for costs for expert witnesses, court costs, or other nonsalary litigation expenses associated with a pending legal action.

Sec. 313. From the funds appropriated in part 1 for attorney general operations, the department shall allocate $600,000.00 for the investigation and prosecution of mortgage fraud.

Sec. 314. From the lawsuit settlement proceeds fund appropriated in part 1, the department may spend the funds for the costs of all associated expenses related to the declaration of emergency due to drinking water contamination up to $2,600,000.00.

Sec. 314a. (1) From the funds appropriated in part 1 for one-time appropriations for the attorney general, the department of attorney general shall allocate $700,000.00 for investigations, crime victim rights, prosecutions, and appeals for retroactive juvenile life without parole cases.

(2) The attorney general's office shall submit a detailed expenditure report to the house and senate appropriations subcommittees on general government and the judiciary, the senate and house fiscal agencies, and the state budget director by September 30 detailing how the funds provided in subsection (1) were expended.

Sec. 315. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $18,361,000.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $10,096,700.00. Total agency appropriations for retiree health care legacy costs are estimated at $8,264,300.00.

Sec. 316. (1) From the funds appropriated in part 1 for sexual assault law enforcement efforts, the department shall use the funds for testing of backlogged sexual assault kits across the state. The funding provided in part 1 shall be distributed in the following order of priority:

(a) To eliminate all county sexual assault kit backlogs outside of Wayne County.

(b) To assist local prosecutors with investigations and prosecutions of viable cases.

(c) To provide victim services.

(2) The department of attorney general shall provide a detailed work and spending plan outlining anticipated litigation action and expenditures resulting from findings of the sexual assault kit testing. The spending plan shall be transmitted to the state budget office, the senate and house fiscal agencies, and the senate and house of representatives standing committees on appropriations subcommittees on general government. The appropriation shall not be available for expenditure until the work plan is approved by the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government at least 15 days prior to release of the funds.

(3) The department of attorney general shall provide a report by January 30 providing updated information related to the work and spending plan listed in subsection (2) and provide an update on expenditures made in relation to assisting local prosecutions and investigations and providing victim services. The report shall be distributed to the state budget office and the chairs of the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies.

Sec. 317. (1) The department of attorney general shall report all legal costs and associated expenses related to the declaration of emergency due to drinking water contamination, and the investigations and any resulting prosecutions, for publication in the Flint water emergency-financial and activities tracking and reporting document that is posted by the state budget director on the public website, michigan.gov/flintwater. The tracking and reporting documents shall include the budget line item source for each expenditure.

(2) At the conclusion of all attorney general investigations related to the declaration of emergency due to drinking water contamination, all materials related to any investigations shall be preserved pursuant to applicable document retention policies.

**DEPARTMENT OF CIVIL RIGHTS**

Sec. 401. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $750,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 402. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend funds from local or private sources for all of the following purposes:

(a) Developing and presenting training for employers on equal employment opportunity law and procedures.

(b) The publication and sale of civil rights related informational material.

(c) The provision of copy material made available under freedom of information requests.

(d) Other copy fees, subpoena fees, and witness fees.

(e) Developing, presenting, and participating in mediation processes for certain civil rights cases.

(f) Workshops, seminars, and recognition or award programs consistent with the programmatic mission of the individual unit sponsoring or coordinating the programs.

(g) Staffing costs for all activities included in this subsection.

(2) The department of civil rights shall annually report to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies the amount of funds received and expended for purposes authorized under this section.

Sec. 403. The department of civil rights may contract with local units of government to review equal employment opportunity compliance of potential contractors and may charge for and expend amounts received from local units of government for the purpose of developing and providing these contractual services.

Sec. 404. (1) The department of civil rights shall prepare and transmit a detailed report that includes, but is not limited to, the following information for the most recent fiscal year:

(a) A detailed description of the department operations.

(b) A detailed description of all subunits within the department, including FTE positions associated with each subunit, responsibilities of each subunit, and all revenues and expenditures for each subunit.

(c) The number of complaints by type of complaint.

(d) The average cost of, and time expended, investigating complaints.

(e) The percentage of complaints that are meritorious and worthy of investigation or settlement and the percentage of complaints that have no merit.

(f) A listing of amounts awarded to claimants.

(g) Expenditures associated with complaint investigation and enforcement.

(h) A listing of complaint investigations closed per FTE position for each of the past 5 years.

(i) A listing of complaint evaluations completed per FTE position for each of the past 5 years.

(j) Productivity projections for the current fiscal year, including investigations closed per FTE, complaint evaluations completed per FTE, and average time expended investigating complaints.

(2) The report required under subsection (1) shall be posted online and transmitted electronically not later than November 30 to the state budget director, the chairpersons of the senate and house of representatives standing committees on appropriations, the senate and house appropriations subcommittees on general government, and the senate and house fiscal agencies.

Sec. 405. The department of civil rights shall notify the office of the state budget, senate and house of representatives standing committees on appropriations, and senate and house fiscal agencies prior to submitting a report or complaint to the United States Commission on Civil Rights or other federal departments.

Sec. 410. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $3,062,000.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $1,697,800.00. Total agency appropriations for retiree health care legacy costs are estimated at $1,364,200.00.

**LEGISLATURE**

Sec. 600. The senate, the house of representatives, or an agency within the legislative branch may receive, expend, and transfer funds in addition to those authorized in part 1.

Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer before the year-end book-closing date for that legislative entity, the state budget director shall immediately make the expenditure or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for legislative council entities.

(2) Funds appropriated within the legislative branch, to a legislative council component, shall not be expended by any agency or other subgroup included in that component without the approval of the legislative council.

Sec. 602. The senate may charge rent and assess charges for utility costs. The amounts received for rent charges and utility assessments are appropriated to the senate for the renovation, operation, and maintenance of the Farnum Building and other properties.

Sec. 603. From the appropriation contained in part 1 for national association dues, the first $34,800.00 shall be paid to the National Conference of Commissioners of Uniform State Laws. The remaining funds shall be distributed accordingly by the legislative council.

Sec. 604. (1) The appropriation in part 1 to the Michigan state capitol historic site includes funds to operate the legislative parking facilities in the capitol area. The Michigan state capitol commission shall establish rules regarding the operation of the legislative parking facilities.

(2) The Michigan state capitol commission shall collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees are appropriated upon receipt and shall be allocated by the Michigan state capitol commission.

Sec. 605. The appropriation in part 1 to the legislative council for publication of the Michigan manual is a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for use in paying the associated biennial costs of publication of the Michigan manual.

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $2,000,000.00, and the tentative completion date is September 30, 2020.

Sec. 607. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds are designated as work project appropriations in accordance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $2,000,000.00, and the tentative completion date is September 30, 2020.

Sec. 608. In addition to funds appropriated in part 1, the Michigan capitol committee publications save the flags fund account may accept contributions, gifts, bequests, devises, grants, and donations. Those funds that are not expended in the fiscal year ending September 30 shall not lapse at the close of the fiscal year, and shall be carried forward for expenditure in the following fiscal years.

Sec. 610. (1) From the one-time funds appropriated in part 1 for the criminal justice policy commission study, the criminal justice policy commission shall spend up to $500,000.00 for a study to determine what the additional estimated annual costs to counties would be if 17-year-olds were redirected from the adult court and correctional systems into the family court and juvenile justice systems. The study shall also determine the estimated savings to the state corrections system, as well as any other financial or policy costs and benefits, from such a redirection.

(2) The unexpended funds appropriated in part 1 for the criminal justice policy commission study are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and

shall be available for expenditure for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to determine what additional estimated annual costs to counties would be if 17-year-olds were redirected from the adult court and correctional systems into the family court and juvenile justice systems and the estimated savings to the state corrections system, as well as any other financial or policy costs and benefits, from such a redirection.

(b) The project will be accomplished by utilizing state employees or contracts with private vendors, or both.

(c) The total estimated cost of the project is $500,000.00.

(d) The tentative completion date is April 1, 2018.

Sec. 615. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $21,279,600.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $11,998,700.00. Total agency appropriations for retiree health care legacy costs are estimated at $9,280,900.00.

Sec. 618. It is the intent of the legislature that all administrative functions and associated funding for the Michigan legislative retirement system shall be transferred from the legislative council to the department of technology, management, and budget before the end of the 2016-2017 fiscal year.

Sec. 619. The funds appropriated in part 1 for the Michigan veterans facility ombudsman shall be used to create a veterans facility ombudsman to address complaints made at the veterans' homes of this state.

**LEGISLATIVE AUDITOR GENERAL**

Sec. 620. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

Sec. 621. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

(2) The auditor general shall strongly encourage firms with which the auditor general contracts to perform audits of the principal executive departments and state agencies to subcontract with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities.

(3) The auditor general shall compile an annual report regarding the number of contracts entered into with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities. The auditor general shall deliver the report to the state budget director and the senate and house of representatives standing committees on appropriations subcommittees on general government by November 1 of each year.

Sec. 622. From the funds appropriated in part 1 to the legislative auditor general, the auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and, when those costs exceed $50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of the auditor general's policy on responding to legislative requests.

**DEPARTMENT OF STATE**

Sec. 701. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $7,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $50,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 703. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge $11.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and

sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b. The department of state shall provide quarterly reports to the legislature and the senate and house fiscal agencies. The report shall be provided within 15 days of the close of the quarter and shall include the number of records sold and the revenues collected.

Sec. 704. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 705. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

(2) The department of state may sell and accept paid advertising for placement in a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. The department may charge and receive a fee for any advertisement appearing in a departmental publication and shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization. The department may furnish a reasonable number of copies of a publication to an advertiser at no charge.

(3) Pending expenditure, the funds received under this section shall be deposited in the Michigan department of state publications fund created by section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211. Funds given, donated, or contributed to the department from a private source are appropriated and allocated for the purpose for which the revenue is furnished. Funds granted to the department from a public source are allocated and may be expended upon receipt. The department shall not accept a gift, donation, contribution, or grant if receipt is conditioned upon a commitment of state funding at a future date. Revenue received from the sale of advertising is appropriated and may be expended upon receipt.

(4) Any unexpended revenues received under this section shall be carried over into subsequent fiscal years and shall be available for appropriation for the purposes described in this section.

(5) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include all of the following information:

(a) The amount of gifts, contributions, donations, and grants of money received by the department under this section for the prior fiscal year.

(b) A listing of the expenditures made from the amounts received by the department as reported in subdivision (a).

(c) A listing of any gift, donation, contribution, or grant of property other than funding received by the department under this section for the prior year.

(d) The total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions.

(6) In addition to copies delivered without charge as the secretary of state considers necessary, the department of state may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term "manuals and other publications" includes videos and proprietary electronic publications. All funds received from sales of these manuals and other publications shall be credited to the Michigan department of state publications fund.

Sec. 707. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 708. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of $332,000.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 709. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed $50,000.00 of the total funds available in miscellaneous revenue.

Sec. 710. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund created in section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b, is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

(2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the transportation administration collection fund created in section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b, in addition to the amount appropriated in part 1 to the department of state, shall remain in the transportation administration collection fund created in section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b, and be available for future appropriation.

Sec. 711. Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.

Sec. 712. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 713. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

(2) The department of state may solicit funds from any private or public source to underwrite, in whole or in part, the public information campaign authorized by this section. The department may accept gifts, donations, contributions, and grants of money and other property from private and public sources for this purpose. A private or public funding source underwriting the public information campaign, in whole or in substantial part, shall receive sponsorship credit for its financial backing.

(3) Funds received under this section, including grants from state and federal agencies, shall not lapse to the general fund at the end of the fiscal year but shall remain available for expenditure for the purposes described in this section.

(4) Funding appropriated in part 1 for the organ donor program shall be used for producing a pamphlet to be distributed with driver licenses and personal identification cards regarding organ donations. The funds shall be used to update and print a pamphlet that will explain the organ donor program and encourage people to become donors by marking a checkoff on driver license and personal identification card applications.

(5) The pamphlet shall include a return reply form addressed to the gift of life organization. Funding appropriated in part 1 for the organ donor program shall be used to pay for return postage costs.

(6) In addition to the appropriations in part 1, the department of state may receive and expend funds from the organ and tissue donation education fund for administrative expenses.

Sec. 714. (1) Except as otherwise provided under subsection (2), at least 180 days before closing a branch office or consolidating a branch office and at least 60 days before relocating a branch office, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analyses done regarding criteria for changes in the location of branch offices, including, but not limited to, branch transactions, revenue, and the impact on citizens of the affected area. The impact on citizens shall include information regarding additional distance to branch office locations resulting from the plan. The written notice provided by the department of state shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure and the same level of detail regarding costs for new leased facilities and expansions of current leased space.

(2) If the consolidation of a branch office is with another branch office that is located within the same local unit of government or the relocation of a branch office is to another location that is located within the same local unit of government, the department of state is not required to provide the notification or written information described in subsection (1).

(3) As used in this section, "local unit of government" means a city, village, township, or county.

Sec. 715. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, may be used by the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution.

(2) The service assessment imposed by the department of state for credit and debit card services may be based either on a percentage of each individual credit or debit card transaction, or on a flat rate per transaction, or both, scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment which exceeds the costs billable to the department for service assessments.

(3) If there is a balance of service assessments received from credit and debit card services remaining on September 30, the balance may be carried forward to the following fiscal year and appropriated for the same purpose.

(4) As used in this section, "service assessment" means and includes costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Sec. 716b. The department of state shall provide a report that calculates the total amount of funds expended for the business application modernization project to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the state by the contract provider for penalties. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director by January 1.

Sec. 717. (1) The department of state may accept nonmonetary gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The department may recognize a private or public contributor for making the contribution. The department may reject a gift, donation, or contribution.

(2) The department of state shall not accept a gift, donation, or contribution under subsection (1) if receipt of the gift, donation, or contribution is conditioned upon a commitment of future state funding.

(3) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall list any gift, donation, or contribution received by the department under subsection (1) for the prior calendar year.

Sec. 718. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Buena Vista Township.

Sec. 721. From the funds appropriated in part 1, the department of state may collect ATM commission fees from companies that have ATMs located in secretary of state branch offices. The commission received from the use of these ATMs shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 722. (1) From the increased funds appropriated in part 1 for information technology services and projects, the department of state shall establish a legacy modernization project beginning in the current fiscal year. The purpose of this program expansion is modernization of the entire system and removal of existing programs from the legacy mainframes.

(2) The department of state shall provide a report on the status of the legacy modernization project that includes, but is not limited to, itemization of all expenditures made on behalf of the project, anticipated completion date of the project, time frame of each phase of the project, the cost of the project, the number of employees assigned to implement each phase of the project, the contracts entered into for the project, anticipated overall cost of the project, and any other information the department considers necessary. The plan shall be distributed to the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies, and the state budget director by January 1.

Sec. 723. From the increased funds appropriated in part 1 for elections administration and services, the department of state shall establish funding available for the replacement of voting machines. The purpose of this program expansion is replacement of existing voting machines in the local jurisdictions.

Sec. 725. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $31,874,100.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $17,673,400.00. Total agency appropriations for retiree health care legacy costs are estimated at $14,200,700.00.

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $4,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $8,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $150,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 802. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of technology, management, and budget to offset costs incurred in the acquisition and distribution of federal surplus property. The department of technology, management, and budget shall provide consolidated Internet auction services through the state's contractors for all local units of government.

Sec. 803. (1) The department of technology, management, and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of technology, management, and budget.

(2) The department of technology, management, and budget may receive and expend funds in addition to those authorized by part 1 for real estate, architectural, design, and engineering services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants.

(3) The department of technology, management, and budget may receive and expend funds in addition to those authorized in part 1 for mail pickup and delivery services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

(4) The department of technology, management, and budget may receive and expend funds in addition to those authorized in part 1 for purchasing services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

Sec. 804. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of technology, management, and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated compensation hearings process. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

(2) In addition to the funds appropriated in part 1 for statewide appropriations, the department of technology, management, and budget may receive and expend funds in such additional amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process in the same manner and subject to the same conditions as prescribed in subsection (1).

Sec. 805. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the department of technology, management, and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 806. In addition to the funds appropriated in part 1 to the department of technology, management, and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of technology, management, and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 807. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 808. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of technology, management, and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

(2) Appropriations in part 1 to the department of technology, management, and budget, for management and budget services from building occupancy charges and parking charges, may be increased to return excess revenue collected to state agencies.

Sec. 809. On a quarterly basis, the department of technology, management, and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government, the house and senate fiscal agencies, and the state budget director on any revisions that increase or decrease current contracts by more than $500,000.00 for computer software development, hardware acquisition, or quality assurance.

Sec. 810. The department of technology, management, and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over $50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 811. The department of technology, management, and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 812. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the

purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 813. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of technology, management, and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The appropriation in part 1 for motor vehicle fleet shall be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the department. Revenue in excess of the amount appropriated in part 1 from the motor transport fund and any unencumbered funds are restricted revenues and may be carried over into the succeeding fiscal year.

(3) Pursuant to the department of technology, management, and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce travel expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations, the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the department shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director detailing the current plan and changes made to the plan during the fiscal year.

(4) The department of technology, management, and budget may charge state agencies for fuel cost increases that exceed $3.04 per gallon of unleaded gasoline. The department shall notify state agencies, in writing or by electronic mail, at least 30 days before implementing additional charges for fuel cost increases. Revenues received from these charges are appropriated upon receipt.

(5) The state budget director, upon notification to the senate and house of representatives standing committees on appropriations, may adjust spending authorization and the IDG from motor transport fund in the department of technology, management, and budget in order to ensure that the appropriations for motor vehicle fleet in the department budget equal the expenditures for motor vehicle fleet in the budgets for all executive branch agencies.

Sec. 814. The department of technology, management, and budget shall develop a plan regarding the use of the funds appropriated in part 1 for the enterprisewide information technology investment projects. The plan shall include, but not be limited to, a description of proposed information technology investment projects, the time frame for completion of the information technology investment projects, the proposed cost of the information technology investment projects, the number of employees assigned to implement each information technology investment project, the contracts entered into for each information technology investment project, and any other information the department deems necessary. The plan shall be distributed to the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies, and the state budget director on a quarterly basis. The submitted plan shall also include anticipated spending reductions or overages for each of the proposed information technology investment projects. The department of technology, management, and budget shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director when a project funded under an information technology investment project line item in part 1 is expected to require a transfer of dollars from another project in excess of $500,000.00.

Sec. 814a. The funds appropriated in part 1 for information technology investment projects shall be used for the modernization of state information technology systems, improvement of the state's cyber security framework, and to achieve efficiencies.

Sec. 816. An RFP issued for the purpose of privatization shall include all factors used in evaluating and determining price.

Sec. 818. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.

Sec. 820. The department shall make available to the public a list of all parcels of real property owned by the state that are available for purchase. The list shall be posted on the Internet through the department's website.

Sec. 821. The department of technology, management, and budget shall annually update the office space consolidation project plan, including the use of the funds appropriated pursuant to 2012 PA 200 for the space consolidation fund. By February 15, the department shall report to the senate and house of representatives committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the revised plan and plan implementation. The report shall include, but is not limited to, the description of the proposed office space to be consolidated, the

time frame for completion of the office space consolidation, the proposed itemized cost of the office space consolidation, the number of employees assigned to implement the office space consolidation, the contracts entered into for the office space consolidation, information on completed projects, anticipated savings, savings achieved, and any other information the department deems necessary.

Sec. 822. The department of technology, management, and budget shall compile a report by January 1 pertaining to the salaries of unclassified employees, as well as gubernatorial appointees, within all state departments and agencies. The report shall enumerate each unclassified employee and gubernatorial appointee and his or her annual salary individually. The report shall be distributed to the chairs of the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies and be made available electronically.

Sec. 822b. (1) A public-private partnership investment fund is created in MDTMB. Subject to subsections (2) and (3), public-private partnership investments shall include, but are not limited to, all of the following:

(a) Capital asset improvements including buildings, land, or structures.

(b) Energy resource exploration, extraction, generation, and sales.

(c) Financial and investment incentive opportunities.

(d) Infrastructure construction, maintenance, and operation.

(e) Public-private sector joint ventures that provide economic benefit to an area or to the state.

(2) Public-private investments shall not include projects, consultant expenses, staff effort, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing or any successor project unless the project is approved by the legislature and signed into law.

(3) The state budget director shall determine whether or not a specific public-private partnership investment opportunity qualifies for funding under subsection (1).

(4) Investment development revenue, including a portion of the proceeds from the sale of any public-private partnership investment designated in subsection (1), shall be deposited into the fund created in subsection (1) and shall be available for administration, development, financing, marketing, and operating expenditures associated with public-private partnerships, unless otherwise provided by law. Public-private partnership investments authorized in subsection (1) are authorized for public or private operation or sale consistent with state law. Expenditures from the fund are authorized for investment purposes as designated in subsection (1) to enhance the marketable value of each investment. The unencumbered balance remaining in the fund at the end of the fiscal year may be carried forward for appropriation in future years.

(5) An annual report shall be transmitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget office not later than December 31 of each year. This report shall detail both of the following:

(a) The revenue and expenditure activity in the fund for the preceding fiscal year.

(b) Public-private partnership investments as identified under subsection (1).

(6) MDTMB shall monitor the revenue deposited in the public-private partnership investment fund created in subsection (1). If the revenue in the fund is insufficient to pay the amount appropriated in part 1 for public-private partnership investment, then MDTMB shall propose a legislative transfer to fund the line from the appropriations in part 1.

Sec. 822c. The funds appropriated in part 1 shall not be used to support any staff effort, projects, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing or any successor project unless the project is approved by the legislature and signed into law.

Sec. 822d. By December 31, the department shall provide a report to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies that identifies fee and rate schedules to be used by state departments and agencies for services, including information technology, provided by the department during fiscal year 2016-2017. The report shall also identify changes from fees and rates charged in fiscal year 2015-2016 and include an explanation of the factors that justify each fee and rate increase.

Sec. 822e. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $78,962,000.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $43,795,600.00. Total agency appropriations for retiree health care legacy costs are estimated at $35,166,400.00.

Sec. 822f. (1) The funds appropriated in part 1 for the regional prosperity initiative are to be used as competitive grants to eligible regional planning organizations qualifying for funding as a regional prosperity collaborative, a regional prosperity council, or a regional prosperity board. A regional planning organization may not qualify for funding under more than 1 category in the same state fiscal year. As used in this section:

(a) "Eligible regional planning organization" means any of the following:

(*i*) An existing regional planning commission created pursuant to 1945 PA 281, MCL 125.11 to 125.25.

(*ii*) An existing regional economic development commission created pursuant to 1966 PA 46, MCL 125.1231 to 125.1237.

(*iii*) An existing metropolitan area council formed pursuant to the metropolitan councils act, 1989 PA 292, MCL 124.651 to 124.729.

(*iv*) A Michigan metropolitan planning organization established pursuant to the moving ahead for progress in the 21st century act, Public Law 112-141.

(b) "Freedom of information act" means the freedom of information act, 5 USC 552.

(c) "Open meetings act" means the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(d) "Regional prosperity board" means a regional body that has a singular governing board with representation from private, public, and nonprofit entities engaged in joint decision-making practices for the purpose of creating or maintaining a phase three: regional prosperity plan.

(e) "Regional prosperity collaborative" means any committee developed by a regional planning organization or a metropolitan planning organization that serves to bring organizational representation together from private, public, and nonprofit entities within a region for the purpose of creating or maintaining a phase one: regional prosperity plan.

(f) "Regional prosperity council" means a regional body with representation from private, public, and nonprofit entities with shared administrative services and an executive governing entity, as demonstrated by a formal local agreement or agreements for the purpose of creating or maintaining a phase two: regional prosperity plan.

(2) Regional planning organizations may qualify to receive not more than $250,000.00 of incentive-based funding as a regional prosperity collaborative subject to meeting all of the following requirements:

(a) The regional prosperity collaborative has created a phase one: regional prosperity plan, as follows:

(*i*) The regional prosperity collaborative must include regional representatives from adult education, workforce development, community development, economic development, transportation, and higher education organizations.

(*ii*) The plan is required, at a minimum, to include a 5-year plan focused on economic growth and vitality for the region, as well as a performance dashboard and measurable annual goals to support the 5-year plan.

(*iii*) The 5-year plan shall address regional strategies related to adult education, workforce development, economic development, transportation, higher education, and business development.

(*iv*) The regional prosperity collaborative shall adopt the plan by a minimum 2/3 majority vote of its members.

(b) The regional prosperity collaborative adheres to accountability and transparency measures required in the open meetings act and the freedom of information act.

(c) The regional prosperity collaborative convenes monthly meetings, open to the public, to consider and discuss issues leading to a common vision of economic prosperity for the region, including, but not limited to, community development, economic development, talent, and infrastructure opportunities.

(d) The regional prosperity collaborative makes available on the grant recipient's publicly accessible Internet site pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, voting records, and the regional prosperity plan and performance dashboard.

(e) The regional prosperity collaborative keeps a status report detailing the spending associated with previous regional prosperity initiative grants. Organizations that have successfully received grant awards in previous fiscal years shall be required to make available to the department and on a publicly accessible Internet site information regarding the use of those grant dollars.

(3) Regional planning organizations eligible to receive a payment as a regional prosperity collaborative under subsection (2) may qualify to receive a 1-time grant of not more than $75,000.00 to produce a plan to transform the regional prosperity collaborative into a regional prosperity council or regional prosperity board, including necessary local formal agreements, to make recommendations that eliminate duplicative efforts and administrative functions, and to leverage resources through cooperation, collaboration, and consolidations of organizations or programs throughout the region. Plans produced to transform the regional prosperity collaborative into a regional prosperity council or regional prosperity board shall be made available on the grant recipient's publicly accessible Internet site.

(4) Regional planning organizations may qualify to receive not more than $375,000.00 of incentive-based funding as a regional prosperity council subject to meeting all of the following requirements:

(a) A regional prosperity council has been formed and includes regional representatives from adult education, workforce development, community development, economic development, transportation, and higher education organizations.

(b) An eligible regional prosperity council will demonstrate shared administrative services between 2 public regional entities included in subdivision (a). In addition, the council must have and maintain an executive governing entity, as demonstrated by a formal local agreement or agreements.

(c) The regional prosperity council has created a phase two: regional prosperity plan, as follows:

(*i*) The regional prosperity council shall identify opportunities for shared administrative services and decision-making among the private, public, and nonprofit entities within the region and shall continue collaboration with regional prosperity council members, including, but not limited to, representatives from adult education providers, workforce development agencies, community development agencies, economic development agencies, transportation service providers, and higher education institutions.

(*ii*) The plan is required to include, but is not limited to, all of the following:

(A) A status report of the approved 5-year plan.

(B) The addition of a 10-year plan for the region which builds upon prior work and is focused on economic growth and vitality in the region.

(C) A prioritized list of regional projects.

(D) A performance dashboard with measurable annual goals.

(*iii*) The regional prosperity council shall adopt the plan by a minimum 2/3 vote of its members.

(d) The regional prosperity council adheres to accountability and transparency measures required in the open meetings act and the freedom of information act.

(e) The regional prosperity council convenes monthly meetings, open to the public, to consider and discuss issues leading to a common vision of economic prosperity for the region, including, but not limited to, community development, economic development, talent, and infrastructure opportunities.

(f) The regional prosperity council makes available on the grant recipient's publicly accessible Internet site pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, voting records, and the regional prosperity plan and performance dashboard.

(g) The regional prosperity council keeps a status report detailing the spending associated with previous regional prosperity initiative grants. Organizations that have successfully received grant awards in previous fiscal years shall be required to make available to the department and on a publicly accessible Internet site information regarding the use of those grant dollars.

(5) Regional planning organizations eligible to receive a payment as a regional prosperity council under subsection (4) may qualify to receive a 1-time grant of not more than $75,000.00 to produce a plan to transform the regional prosperity council into a regional prosperity board, including a singular private/public governance structure that comports with federal guidelines for governance under the workforce investment act, Public Law 105-220, the moving ahead for progress in the 21st century act, Public Law 112-141, the economic development administration and Appalachian regional development reform act of 1998, Public Law 105-393, and recommendations to eliminate duplicative efforts, administrative functions, and leverage resources through cooperation, collaboration, and consolidations of organizations or programs throughout the region.

(6) Regional planning organizations may qualify to receive not more than $500,000.00 of incentive-based funding as a regional prosperity board subject to meeting all of the following requirements:

(a) The regional prosperity board has been formed and, at a minimum, must demonstrate the consolidation of a regional metropolitan planning organization, where one exists, state designated regional planning agency boards, workforce development boards, and federally designated regional economic development districts within a region.

(b) The regional prosperity board has created a phase three: regional prosperity plan, as follows:

(*i*) The regional prosperity board shall create a regional services recommendations report prioritizing the list of state-funded services and programs provided to the region, and recommendations for state-regional partnerships to support the adopted regional prosperity plan.

(*ii*) The plan is required to include a status report of the approved 10-year plan for the creation of an updated regional prosperity plan.

(*iii*) The regional prosperity board shall adopt the plan by a minimum 2/3 vote of its members.

(c) The regional prosperity board adheres to accountability and transparency measures required in the open meetings act and the freedom of information act.

(d) The regional prosperity board convenes monthly meetings, open to the public, to consider and discuss issues leading to a common vision of economic prosperity for the region, including, but not limited to, community development, economic development, talent, and infrastructure opportunities.

(e) The regional prosperity board makes available on the grant recipient's publicly accessible Internet site pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, voting records, and the regional prosperity plan and performance dashboard.

(7) Regional planning organizations eligible to receive a payment as a regional prosperity board under subsection (6) may qualify to receive not more than $125,000.00, to implement the prioritized regional prosperity plan projects.

(8) Regional planning organizations eligible to receive a payment as a regional prosperity collaborative, board, or council may partner with other eligible regional planning organizations to submit joint applications. In the instance of a joint application, 1 regional planning organization shall be utilized as the overall applicant. The department may award a joint application award of no greater than the sum of potential application dollars which would have otherwise been available through individual applications.

(9) The department shall develop an application process and method of grant distribution for the regional prosperity initiative. Funding applications from regional planning organizations shall be due to the department by December 1, 2016. The department shall notify regional planning organizations of grant application status by January 1, 2017. The department shall ensure that processes are established to verify that qualifying regional planning organizations meet the requirements under subsections (2), (3), (4), (5), (6), and (7), as applicable.

(10) Unexpended funds appropriated in part 1 for the regional prosperity initiative are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for regional prosperity initiative projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects is to provide incentive-based grants to recipients under this section.

(b) The projects will be accomplished by grants to qualified regional planning organizations.

(c) The total estimated cost of all projects is $2,500,000.00.

(d) The estimated completion date is September 30, 2021.

Sec. 822g. The department of technology, management, and budget shall report by April 1 to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies on legal service fund expenditures. The report shall itemize expenditures by case, purpose, and department involved.

Sec. 822h. (1) The department of technology, management, and budget shall report by April 15 to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies on the expenditures for the office of urban initiatives. The report shall provide information detailing the economic impact and job growth initiatives for each urban and metropolitan area receiving funds under part 1. The report shall also provide information detailing the initiatives undertaken in each urban or metropolitan area receiving funds under part 1, including, but not limited to, all of the following:

(a) Transportation and infrastructure.

(b) Public services.

(c) Land use and sustainability.

(d) Housing.

(e) Workforce and economic development.

(2) Any unencumbered and unexpended funds appropriated to the office of urban initiatives in the previous fiscal year shall lapse to the general fund on October 1.

Sec. 822i. (1) From the funds appropriated in part 1, the department shall assure all of the following:

(a) That public schools that are placed in the state school reform/redesign school district or under a chief executive officer under section 1280c of the revised school code, 1976 PA 451, MCL 380.1280c, remain in compliance with all applicable state and federal law concerning special education.

(b) That students at public schools described in subdivision (a) with individualized education programs are afforded special education services in accordance with applicable state and federal law concerning special education.

(2) The department shall report to the legislature on the number of students in public schools described in subsection (1)(a) who have an individualized education program and the performance results of those students after the change in governance of the public school.

Sec. 822j. From the funds appropriated in part 1 for the office of good government, the department of technology, management, and budget shall expand the scope of the office of good government. The purpose of this program expansion is to broaden the office's support of transformative good government initiatives related to employee engagement and process improvement.

Sec. 822k. The department shall work with the department of health and human services to conduct an evaluation of all state-owned lands and buildings at the Hawthorn center psychiatric hospital facility for children and adolescents and develop a recommendation for the future use of the facility considering the needs of the department of health and human services, its patients, and the overall infrastructure plans of state government. A copy of the evaluation shall be delivered to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director by March 1.

Sec. 822*l*. From the funds appropriated in part 1 for the school reform office, the school reform office shall conduct 1 public hearing in the school district of priority schools that the school reform office has determined require an intervention authorized by section 1280c(6) or (7) of the revised school code, 1976 PA 451, MCL 380.1280c. The school reform office shall give notice to the district prior to the public hearing. The public hearing shall include an outline of the plan for academic improvement of the schools and a projected time frame of the school reform office's involvement with the schools.

Sec. 822m. From the funds appropriated in part 1, the department shall establish a system that collaborates with other departments to keep track of the performance of vendors in fulfilling contract obligations. The performance of these vendors shall be recorded and used as a factor to determine future contracts awarded in the procurement process.

Sec. 822n. From the funds appropriated in part 1, beginning on October 1, the department of technology, management, and budget shall ensure that all new requests for proposals that are publicly displayed on the webpage include the proposal's corresponding department and agency for the purpose of searching for requests for proposals by department and agency.

Sec. 822o. From the funds appropriated in part 1 for the school reform office, the school reform office shall make an effort to coordinate with the department of education to streamline state services and resources, reduce duplication, and increase efficiency.

**INFORMATION TECHNOLOGY**

Sec. 823. (1) The department of technology, management, and budget may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection shall be

used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to $250,000.00. Any funds in excess of $250,000.00 shall be deposited in the state general fund.

(2) The department of technology, management, and budget may accept gifts, donations, contributions, bequests, and grants of money from any public or private source to assist with the underwriting or sponsorship of state webpages or services offered on those webpages. A private or public funding source may receive recognition in the webpage. The department of technology, management, and budget may reject any gift, donation, contribution, bequest, or grant.

(3) Funds accepted by the department of technology, management, and budget under subsection (1) or (2) are appropriated and allotted when received and may be expended upon approval of the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies within 10 days after the approval is given.

Sec. 824. The department of technology, management, and budget may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of technology, management, and budget may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of technology, management, and budget may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the state budget director detailing the sources of funding and expenditures made under this section.

Sec. 825. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 826. When used in this part and part 1, "information technology services" means services involving all aspects of managing and processing information, including, but not limited to, all of the following:

(a) Application and mobile development and maintenance.

(b) Desktop computer support and management.

(c) Cyber security.

(d) Social media.

(e) Mainframe computer support and management.

(f) Server support and management.

(g) Local area network support and management, including, but not limited to, wired and wireless network build-out, support, and management.

(h) Information technology project management.

(i) Information technology planning and budget management.

(j) Telecommunication services, infrastructure, and support.

Sec. 827. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

(2) The department of technology, management, and budget shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees and deposit the fees in the Michigan public safety communications systems fees fund.

(3) All money received by the department of technology, management, and budget under this section shall be expended for the support and maintenance of the Michigan public safety communications system.

(4) The department of technology, management, and budget shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15, indicating the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communications system for the immediately preceding 6-month period. Any deposits made under this section and unencumbered funds are restricted revenues and shall be carried forward into succeeding fiscal years.

Sec. 828. The department of technology, management, and budget shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

(a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.

(b) A listing of the expenditures made from the amounts received by the department of technology, management, and budget as reported in subdivision (a).

Sec. 829. The department of technology, management, and budget shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 830. By December 31, the department shall provide a report that lists all information technology-related change orders and follow-on contracts, greater than $50,000.00, whether they are bid, exercise options, or no-bid, and the amount of each change order or contract extension contract entered into by the department to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 831. (1) The information, communications, and technology innovation fund, established pursuant to 2011 PA 63, 2012 PA 200, and 2013 PA 59, shall be administered by the department of technology, management, and budget for the purpose of providing a revolving, self-sustaining resource for financing information, communications, and technology innovation projects. From the funds appropriated to the information, communications, and technology innovation fund by 2011 PA 63, 2012 PA 200, and 2013 PA 59, or received by the information, communications, and technology innovation fund under subsections (2) and (3), the department of technology, management, and budget may issue loans to state agencies, local units of government, colleges and universities in this state, school districts, other public entities that provide public sector services, and nonprofit organizations that provide public sector services, as determined by the department of technology, management, and budget in support of information, communications, and technology innovation projects.

(2) In addition to funds appropriated by 2011 PA 63, 2012 PA 200, and 2013 PA 59, the information, communications, and technology innovation fund may accept contributions, gifts, bequests, devises, grants, and donations.

(3) In addition to the funds appropriated by 2011 PA 63, 2012 PA 200, and 2013 PA 59, money received by the department of technology, management, and budget as repayment of information, communications, and technology innovation project loans, or other reimbursement or revenue received by the department of technology, management, and budget as a result of information, communications, and technology innovation project loans, interest earned on that money, or subsection (2) revenue, shall be deposited in the information, communications, and technology innovation fund and is appropriated for information, communications, and technology innovation fund projects described in subsection (1). At the close of the fiscal year, any unencumbered funds remaining in the information, communications, and technology innovation fund shall remain in the fund and be carried forward into the succeeding fiscal year.

(4) This section is not effective if legislation is enacted that creates and provides for the administration and use of the information, communications, and technology innovation fund.

Sec. 832. (1) The department of technology, management, and budget shall inform the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies within 30 days of any potential or actual penalties assessed by the federal government for failure of the Michigan child support enforcement system to achieve certification by the federal government.

(2) If potential penalties are assessed by the federal government, the department of technology, management, and budget shall submit a report to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies within 90 days specifying the department's plans to avoid actual penalties and ensure federal certification of the Michigan child support enforcement system.

Sec. 833. (1) The state budget director, upon notification to the senate and house of representatives standing committees on appropriations, may adjust spending authorization and user fees in the department of technology, management, and budget in order to ensure that the appropriations for information technology in the department budget equal the appropriations for information technology in the budgets for all executive branch agencies.

(2) If during the course of the fiscal year a transfer or supplemental to or from the information technology line item within an agency budget is made under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, there is appropriated an equal amount of user fees in the department of technology, management, and budget budget to accommodate an increase or decrease in spending authorization.

Sec. 834. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of technology, management, and budget. The department may receive and expend money from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

(2) An antenna shall not be placed on any site pursuant to this section without complying with the respective local zoning codes and local unit of government processes.

Sec. 835. In addition to the funds appropriated in part 1, the funds collected by the department for supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

Sec. 836. From the increased funds appropriated in part 1 for the information technology investment fund, the department of technology, management, and budget shall provide for the modernization of state information technology systems, and integrate state system interfaces to improve customer service.

Sec. 837. From the funds appropriated in part 1 for cyber security improvements, the department shall increase cyber security information technology investment projects in the current fiscal year. The purpose of this program expansion will be to provide cyber security enhancements for network security improvements, development of a comprehensive security framework and asset security program, implementation of an enterprise-wide data loss prevention process and governance, risk and compliance program, and development of security dashboards and security reporting processes.

Sec. 838. From the increased funds appropriated in part 1 for enterprise identity management, the department shall expand the enterprise identity management program in the current fiscal year. The purpose of this program expansion is to provide an enterprise-wide single sign-on and identity management tool to establish, manage, and authenticate user identities for state information technology systems.

Sec. 839. From the funds appropriated in part 1 for office of retirement services ongoing support of technology, the department shall expand the office of retirement services' information technology capability in the current fiscal year. The purpose of this new program or program expansion is to provide a 90% customer contact satisfaction level.

**STATE BUILDING AUTHORITY RENT**

Sec. 842. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

(2) If the amount appropriated in part 1 for state building authority rent is not sufficient to pay the rent obligations and insurance premiums and deductibles identified in subsection (1) for state building authority projects, there is appropriated from the general fund of the state the amount necessary to pay such obligations.

**CIVIL SERVICE COMMISSION**

Sec. 850. (1) In accordance with section 5 of article XI of the state constitution of 1963, all restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for the preceding fiscal year. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

(2) The appropriations in part 1 are estimates of actual charges based on payroll appropriations. With the approval of the state budget director, the commission is authorized to adjust financing sources for civil service charges based on actual payroll expenditures, provided that such adjustments do not increase the total appropriation for the civil service commission.

(3) The financing from restricted sources shall be credited to the civil service commission by the end of the second fiscal quarter.

Sec. 851. Except where specifically appropriated for this purpose, financing from restricted sources shall be credited to the civil service commission. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy commission operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 852. The appropriation in part 1 to the civil service commission, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the civil service commission. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the civil service commission. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

**CAPITAL OUTLAY**

Sec. 860. As used in sections 861 through 867:

(a) "Board" means the state administrative board.

(b) "Community college" means a community college organized under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, and does not include a state agency or university.

(c) "Department" means the department of technology, management, and budget.

(d) "Director" means the director of the department of technology, management, and budget.

(e) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.

(f) "State agency" means an agency of state government. State agency does not include a community college or university.

(g) "State building authority" means the authority created under 1964 PA 183, MCL 830.411 to 830.425.

(h) "University" means a 4-year university supported by the state. University does not include a community college or a state agency.

Sec. 861. Each capital outlay project authorized in this part and part 1 or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 862. (1) The department shall provide the JCOS, state budget director, and the senate and house fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this part and part 1, or by previous acts.

(2) Before the end of each fiscal year, the department shall report to the JCOS, state budget director, and the senate and house fiscal agencies for each capital outlay project other than lump sums all of the following:

(a) The account number and name of each construction project.

(b) The balance remaining in each account.

(c) The date of the last expenditure from the account.

(d) The anticipated date of occupancy if the project is under construction.

(e) The appropriations history for the project.

(f) The professional service contractor.

(g) The amount of the project financed with federal funds.

(h) The amount of the project financed through the state building authority.

(i) The total authorized cost for the project and the state authorized share if different than the total.

(3) Before the end of each fiscal year, the department shall report the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:

(a) The name of the project and account number.

(b) Whether a program statement is approved.

(c) Whether schematics are approved by the department.

(d) Whether preliminary plans are approved by the department.

(e) The name of the professional service contractor.

(4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 864. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 865. (1) A site preparation economic development fund is created in the department. As used in this section, "economic development sites" means those state-owned sites declared as surplus property pursuant to section 251 of the management and budget act, 1984 PA 431, MCL 18.1251, that would provide economic benefit to the area or to the state. The Michigan economic development corporation board and the state budget director shall determine whether or not a specific state-owned site qualifies for inclusion in the fund created under this subsection.

(2) Proceeds from the sale of any sites designated in subsection (1) shall be deposited into the fund created in subsection (1) and shall be available for site preparation expenditures, unless otherwise provided by law. The economic development sites authorized in subsection (1) are authorized for sale consistent with state law. Expenditures from the fund are authorized for site preparation activities that enhance the marketable sale value of the sites. Site preparation activities include, but are not limited to, demolition, environmental studies and abatement, utility enhancement, and site excavation.

(3) A cash advance in an amount of not more than $25,000,000.00 is authorized from the general fund to the site preparation economic development fund.

(4) An annual report shall be transmitted to the senate and house of representatives standing committees on appropriations not later than December 31 of each year. This report shall detail both of the following:

(a) The revenue and expenditure activity in the fund for the preceding fiscal year.

(b) The sites identified as economic development sites under subsection (1).

Sec. 867. Proceeds from the sale of the Farnum Building shall be subsequently appropriated to the department in accordance with any legislation enacted that authorizes the sale of that property. If the net proceeds from the sale of the Farnum Building are less than the $7,000,000.00 authorized for senate relocation costs in section 896 of article VIII of 2014 PA 252, an amount equal to the difference between the net sale proceeds and $7,000,000.00 shall be appropriated by the legislature to the department.

**CAPITAL OUTLAY - UNIVERSITIES AND COMMUNITY COLLEGES**

Sec. 873. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be composed of local and state shares and not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college shall be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this part and part 1 is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this part and part 1 and has matched the amounts appropriated as required

by this part and part 1. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this part and part 1 or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This part and part 1 are applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this part and part 1 if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall take whatever action necessary to keep the application active.

Sec. 874. If university and community college matching revenues are received in an amount less than the appropriations for capital projects contained in this part and part 1, the state funds shall be reduced in proportion to the amount of matching revenue received.

Sec. 875. (1) The director may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

**DEPARTMENT OF TREASURY**

**OPERATIONS**

Sec. 901. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $200,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $40,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 902. (1) Amounts needed to pay for interest, fees, principal, mandatory and optional redemptions, arbitrage rebates as required by federal law, and costs associated with the payment, registration, trustee services, credit enhancements, and issuing costs in excess of the amount appropriated to the department of treasury in part 1 for debt service on notes and bonds that are issued by the state under sections 14, 15, and 16 of article IX of the state constitution of 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are appropriated.

(2) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated an amount for fiscal year cash-flow borrowing costs to pay for interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to 12.53.

(3) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated all repayments received by the state on loans made from the school bond loan fund not required to be deposited in the school loan revolving fund by or pursuant to section 4 of 1961 PA 112, MCL 388.984, to the extent determined by the state treasurer, for the payment of debt service, including, without limitation, optional and mandatory redemptions, on bonds, notes or commercial paper issued by the state pursuant to 1961 PA 112, MCL 388.981 to 388.985.

Sec. 902a. The department of treasury shall notify the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget office not more than 30 days after a refunding or restructuring bond issue is sold. The notification shall compare the annual debt service prior to the refinancing or restructuring, the annual debt service after the refinancing or restructuring, the change in the principal and interest over the duration of the debt, and the projected change in the present value of the debt service due to the refinancing and restructuring.

Sec. 903. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by each contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally

dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 24.34% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

(3) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the agencies or law firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 904. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

(2) In addition to the funds appropriated in part 1 from the retirement funds to the department of treasury, there is appropriated from retirement funds an amount sufficient to pay for the services of money managers, investment advisors, investment consultants, custodians, and other outside professionals, the state treasurer considers necessary to prudently manage the retirement funds' investment portfolios. The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations and the state budget office concerning the performance of each portfolio by investment advisor.

Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions as provided under section 1 of 1861 PA 111, MCL 21.181.

(2) The appropriations under subsection (1) shall be funded by restricting revenues from common cash interest earnings and investment earnings in an amount sufficient to record these expenditures. If the amounts of common cash interest earnings are insufficient to cover these costs, then miscellaneous revenues shall be used to fund the remaining balance of these expenditures.

Sec. 905. A revolving fund known as the municipal finance fee fund is created in the department of treasury. Fees are established under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and the fees collected shall be credited to the municipal finance fee fund and may be carried forward for future appropriation.

Sec. 906. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. However, the charge shall not be more than the actual cost for performing the audit. A report detailing audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

(2) A revolving fund known as the audit charges fund is created in the department of treasury. The contractual charges collected shall be credited to the audit charges fund and may be carried forward for future appropriation.

Sec. 907. A revolving fund known as the assessor certification and training fund is created in the department of treasury. The assessor certification and training fund shall be used to organize and operate a property assessor certification and training program. Each participant certified and trained shall pay to the department of treasury examination fees not to exceed $50.00 per examination and certification fees not to exceed $175.00. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.

Sec. 908. The amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Sec. 909. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.

Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of 1976 IL 1, MCL 445.573c, is appropriated.

Sec. 911. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) The appropriations under subsection (1) shall be funded by restricting income tax revenue in an amount sufficient to record these expenditures.

Sec. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

(a) A fee of $6.00 at the time a writ of garnishment of periodic payments is served upon the state treasurer, as provided in section 4012 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4012.

(b) A fee of $6.00 at the time any other writ of garnishment is served upon the state treasurer, except that the fee shall be reduced to $5.00 for each writ of garnishment for individual income tax refunds or credits filed by magnetic media.

Sec. 913. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion may be utilized for a program audit of the program. The department of treasury shall forward copies of any audit report completed to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Sec. 914. The department of treasury may provide a $200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2015. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of $10,000,000.00 on December 31 shall revert to the general fund.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30 stating the amounts appropriated for write-offs and advances under subsection (1).

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the auditing firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31 stating the amount of exemptions denied and the revenue received under the program.

Sec. 926. Unexpended appropriations of the John R. Justice grant program are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide student loan forgiveness to qualified public defenders and prosecutors.

(b) The project will be accomplished by utilizing state employees or contracts with private vendors, or both.

(c) The total estimated cost of the project is $288,100.00.

(d) The tentative completion date is September 30, 2017.

Sec. 927. The department of treasury shall submit annual progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies,

regarding personal property tax audits. The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30 stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Sec. 931. (1) The appropriation in part 1 to the department of treasury for treasury fees shall be assessed against all restricted funds that receive common cash earnings or other investment income. Treasury fees include all costs, including administrative overhead, relating to the investment of each restricted fund. The fee assessed against each restricted fund will be based on the size of the restricted fund (the absolute value of the average daily cash balance plus the market value of investments in the prior fiscal year) and the level of effort necessary to maintain the restricted fund as required by each department. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund and the methodology used for assessment.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings or other investment income during the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 934. (1) The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, the Michigan public educational facilities authority, Executive Reorganization Order No. 2002-3, MCL 12.192, the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, part 505 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.50501 to 324.50522, the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c, and the Michigan finance authority, Executive Reorganization Order No. 2010-2, MCL 12.194, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, grants to the civil service commission and state employees' retirement fund, and other expenses as allowed under those acts.

(2) The department of treasury shall report by January 31 to the senate and house appropriations subcommittees, the senate and house fiscal agencies, and the state budget director on the amount and purpose of expenditures made under subsection (1) from funds received in addition to those appropriated in part 1. The report shall also include a listing of reimbursement of revenue, if any. The report shall cover the previous fiscal year.

Sec. 935. The funds appropriated in part 1 for dual enrollment payments for an eligible student enrolled in a state-approved nonpublic school shall be distributed as provided under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, and the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, in a form and manner as determined by the department of treasury.

Sec. 936. (1) From the funds appropriated in part 1 for the student loan delinquency counseling pilot programm, the department shall request competitive proposals from service providers interested in piloting student loan delinquency counseling services for Michigan student loan borrowers. The competitive proposal for the pilot shall include all of the following:

(a) Provide 1-on-1 student loan counseling assistance and financial educational services for interested individuals who are delinquent on their student loan payments. This counseling shall ensure that more individuals know about their student loan payment options and that borrowers have access to budgeting assistance and comprehensive debt management programs.

(b) Require that borrowers voluntarily opt into student loan delinquency counseling.

(c) Promote service through statement inserts, electronic mails, or mailings, or through participating loan servicers or colleges and universities.

(d) Pilot the services for no more than 1 year.

(e) Provide the department with the information necessary for reporting requirements to use for evaluation of the program.

(f) Be able to begin the pilot by January 2, 2017.

(2) The department shall release the RFP by October 3 with a due date of November 4. During this time, the department shall have a question-and-answer event with prospective providers 2 weeks before proposals are due. The department shall select and notify the awarded vendor no later than 1 month after the RFP due date. The department shall ensure that the pilot begins by January 2.

(3) The department of treasury shall issue a status report using information provided by the vendor that includes the following:

(a) Number of borrowers counseled.

(b) Number of student loans and amount of balances owed by counseled borrowers.

(c) Number and dollar amount of delinquent student loans brought current.

(d) Number and dollar amount of delinquent student loans defaulted.

(e) Number and dollar amount of student loans enrolled in a repayment program.

(f) Number and dollar amount of student loans in deferment or forbearance.

(g) At selected time frames after the initial counseling session, the difference between current student loan balances and the balances at the time of initial counseling.

(h) Number and dollar amount of defaulted student loans rehabilitated.

(i) Borrower's credit score at the time of counseling.

(j) Borrower's credit score at selected time frames after initial counseling session.

(k) Results from customer surveys regarding the participant's perceived value and usefulness of the services.

(4) The department of treasury will evaluate the proposals by using the following criteria:

(a) 20% based on demonstrated experience in providing student loan delinquency counseling.

(b) 25% based on demonstrated experience in providing debt management and debt counseling.

(c) 10% based on demonstrated experience in providing budgeting and financial information.

(d) 10% based on responses to questionnaire.

(e) 20% based on an implementation plan of the pilot program.

(f) 15% based on the proposed staffing and budget for the pilot program.

Sec. 937. From the funds appropriated in part 1, the department of treasury shall submit a report to the state budget director and the senate and house standing committees on appropriations not later than March 31 regarding the performance of the Michigan accounts receivable collections system. The report shall include, but is not limited to:

(a) Information regarding the effectiveness of the department's current collection strategies, including use of vendors or contractors.

(b) The amount of delinquent accounts and collection referrals to vendors and contractors.

(c) The liquidation rates for declining delinquent accounts.

(d) The profile of uncollected delinquent accounts, including specific uncollected amounts by category.

(e) The department's strategy to manage delinquent accounts once those accounts exceed the vendor's or contractor's contracted collectible period.

(f) A summary of the strategies used in other states, including, but not limited to, secondary placement services, and assessing the benefits of those strategies.

Sec. 938. (1) From the funds appropriated in part 1 for unclassified salaries, the department of treasury shall ensure that the state capitol historic site fund receive, in addition to the amounts described in section 12 of the tobacco products tax act, 1993 PA 327, MCL 205.432, any amounts remaining in the restoration, renewal, and maintenance line item in part 1.

(2) In the event that Detroit CPI results in decreased statutory payments to the state capitol historic fund, the department of treasury shall not take punitive measures or decrease payments to the fund and shall ensure full payment from the amounts available in the restoration, renewal, and maintenance line item in part 1.

Sec. 941. (1) The department of treasury, in conjunction with the Michigan strategic fund, shall report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by November 1 on the annual cost of the Michigan economic growth authority tax credits. The report shall include for each year the board-approved credit amount, adjusted for credit amendments where applicable, and the actual and projected value of tax credits for each year from 1995 to the expiration of the credit program. For years for which credit claims are complete, the report shall include the total of actual certificated credit amounts. For years for which claims are still pending or not yet submitted, the report shall include a combination of actual credits where available and projected credits. Credit projections shall be based on updated estimates of employees, wages, and benefits for eligible companies.

(2) In addition to the report under subsection (1), the department of treasury, in conjunction with the Michigan strategic fund, shall report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by November 1 on the annual cost of all other certificated credits by program, for each year until the credits expire or can no longer be collected. The report shall include estimates on the brownfield redevelopment credit, film credits, MEGA photovoltaic technology credit, MEGA polycrystalline silicon manufacturing credit, MEGA vehicle battery credit, and other certificated credits.

Sec. 944. If the department of treasury hires a pension plan consultant using any of the funds appropriated in part 1, the department shall retain any report provided to the department by that consultant and shall make that report available upon request to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 945. The appraisal quality assurance project manager of the department of treasury shall conduct a review of local unit assessment administration practices, procedures, and records, also known as the audit of minimal assessing requirements, in at least 1 assessment jurisdiction per county.

Sec. 946. Revenue collected in the convention facility development fund is appropriated and shall be distributed under sections 8 and 9 of the state convention facility development act, 1985 PA 106, MCL 207.628 and 207.629.

Sec. 947. Financial independence teams shall cooperate with the financial responsibility section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts.

Sec. 948. Total authorized appropriations from all department of treasury sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $49,651,800.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $27,530,500.00. Total agency appropriations for retiree health care legacy costs are estimated at $22,121,300.00.

Sec. 949. (1) From the funds appropriated in part 1, the department of treasury may contract with private agencies to prevent the disbursement of fraudulent tax refunds. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to pay contract costs or fund operations designed to reduce fraudulent income tax refund payments not to exceed $1,600,000.00 of the refunds identified as potentially fraudulent and for which payment of the refund is denied. The appropriation to fund fraud prevention efforts is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the number of refund claims denied due to the fraud prevention operations, the amount of refunds denied, the costs of the fraud prevention operations, and other pertinent information relating to determining whether this authority should be continued.

Sec. 949d. (1) From the funds appropriated in part 1 for financial review commission, the department shall continue financial review commission efforts in the current fiscal year. The purpose of the funding is to provide ongoing costs associated with the operation of the commission.

(2) The department shall identify specific outcomes and performance measures for this initiative, including, but not limited to, the department's ability to perform a critical fiscal review to ensure the city of Detroit does not reenter distress following its exit from bankruptcy and to ensure that the community district does not enter distress and maintains a balanced budget.

Sec. 949e. From the funds appropriated in part 1 for the state essential services assessment program, the department of treasury shall administer the state essential services assessment program. The program will provide the department the ability to collect the state essential services assessment which is a phased-in replacement of locally collected personal property taxes on eligible manufacturing personal property.

Sec. 949f. Revenue from the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, related to counties with a 2000 population of more than 2,000,000 is appropriated and shall be distributed under section 12(4)(d) of the tobacco products tax act, 1993 PA 327, MCL 205.432.

Sec. 949g. From the one-time funds appropriated in part 1 for urban search and rescue task force, $500,000.00 shall be expended to support the urban search and rescue task force. In distributing funds under this section, the department of treasury shall require the task force to provide to the department the following information:

(a) A final year-end report providing information on all revenue received by source and expenditures by categories, with the funds distributed to the task force under section 949g of article VIII of 2015 PA 84 discretely presented.

(b) Detail on the proposed expenditure of the funds distributed under this section.

(c) A final year-end report providing information on all revenue received by source and expenditures by categories, with the funds distributed under this section discretely presented.

**REVENUE SHARING**

Sec. 950. The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department of treasury to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

Sec. 952. (1) The funds appropriated in part 1 for city, village, and township revenue sharing are for grants to cities, villages, and townships such that, subject to fulfilling the requirements under subsection (3), each city, village, or township is eligible to receive 100% of its eligible payment under section 952 of article VIII of 2015 PA 84. For purposes of this subsection, any city, village, or township that completely merges with another city, village, or township will be treated as a single entity, such that when determining the eligible payment under section 952 of article VIII of 2015 PA 84 for the combined single entity, the amount each of the merging local units was eligible to receive under section 952 of article VIII of 2015 PA 84 is summed. For purposes of this subsection, population is determined in the same manner as under section 3 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.903. In addition, any city or village that according to the 2010 federal decennial census is determined to have population in more than 1 county shall be treated as a single entity when determining the eligible payment under section 952 of article VIII of 2015 PA 84.

(2) The funds appropriated in part 1 for the county incentive program are to be used for grants to counties such that each county is eligible to receive an amount equal to 20% of the amount by which the balance in its revenue sharing reserve fund under section 44a of the general property tax act, 1893 PA 206, MCL 211.44a, for the county's most recent fiscal year that ends prior to the January 1 of the state's fiscal year is less than the amount calculated under section 44a(14) of the general property tax act, 1893 PA 206, MCL 211.44a, for the county fiscal year that begins in the state's fiscal year. The amount calculated under this subsection shall be adjusted as necessary to reflect partial county fiscal years and prorated based on the total amount appropriated for distribution to all eligible counties. Except as otherwise provided under this subsection, payments under this subsection will be distributed to an eligible county subject to the county's fulfilling the requirements under subsection (3).

(3) For purposes of accountability and transparency, each eligible city, village, township, or county shall certify by December 1, or the first day of a payment month, that it has produced a citizen's guide of its most recent local finances, including a recognition of its unfunded liabilities; a performance dashboard; a debt service report containing a detailed listing of its debt service requirements, including, at a minimum, the issuance date, issuance amount, type of debt instrument, a listing of all revenues pledged to finance debt service by debt instrument, and a listing of the annual payment amounts until maturity; and a projected budget report, including, at a minimum, the current fiscal year and a projection for the immediately following fiscal year. The projected budget report shall include revenues and expenditures and an explanation of the assumptions used for the projections. Each eligible city, village, township, or county shall include in any mailing of general information to its citizens the Internet website address location for its citizen's guide, performance dashboard, debt service report, and projected budget report or the physical location where these documents are available for public viewing in the city, village, township, or county clerk's office. Each city, village, township, and county applying for a payment under this subsection shall submit a copy of the citizen's guide, a copy of the performance dashboard, a copy of the debt service report, and a copy of the projected budget report to the department of treasury. The department of treasury shall develop detailed guidance for a city, village, township, or county to follow to meet the requirements of this subsection. The detailed guidance shall be posted on the department of treasury website and distributed to cities, villages, townships, and counties by October 1.

(4) City, village, and township revenue sharing payments and county incentive program payments are subject to the following conditions:

(a) The city, village, township, or county shall certify to the department that it has met the required criteria for subsection (3) and submitted the required citizen's guide, performance dashboard, debt service report, and projected budget report as required by subsection (3). A department of treasury review of the citizen's guide, dashboard, or reports is not required in order for a city, village, township, or county to receive a payment under subsection (1) or (2). The department shall develop a certification process and method for cities, villages, townships, and counties to follow.

(b) Subject to subdivisions (c), (d), and (e), if a city, village, township, or county meets the requirements of subsection (3), the city, village, township, or county shall receive its full potential payment under this section.

(c) Cities, villages, and townships eligible to receive a payment under subsection (1) shall receive 1/6 of their eligible payment on the last business day of October, December, February, April, June, and August. Payments under subsection (1) shall be issued to cities, villages, and townships until the specified due date for subsection (3). After the specified due date for subsection (3), payments shall be made to a city, village, or township only if that city, village, or township has complied with subdivision (a).

(d) Payments under subsection (2) shall be issued to counties until the specified due date for subsection (3). After the specified due date for subsection (3), payments shall be made to a county only if that county has complied with subdivision (a).

(e) If a city, village, township, or county does not provide the required certification, citizen's guide, performance dashboard, debt service report, and projected budget report by the first day of a payment month, the city, village, township, or county shall forfeit the payment in that payment month.

(f) Any city, village, township, or county that falsifies certification documents shall forfeit any future city, village, and township revenue sharing payments or county incentive program payments and shall repay to this state all payments it has received under this section.

(g) City, village, and township revenue sharing payments and county incentive program payments under this section shall be distributed on the last business day of October, December, February, April, June, and August.

(h) Payments distributed under this section may be withheld pursuant to sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

(5) The unexpended funds appropriated in part 1 for city, village, and township revenue sharing and the county incentive program shall be available for expenditure under the program for financially distressed cities, villages, or townships after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 955. (1) The funds appropriated in part 1 for county revenue sharing shall be distributed by the department of treasury so that each eligible county receives a payment equal to 100.976% of the amount determined pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, less the amount for which the county is eligible under section 952(2). The amount calculated under this subsection shall be adjusted as necessary to reflect partial county fiscal years and prorated based on the total amount appropriated for distribution to all eligible counties.

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

Sec. 956. (1) The funds appropriated in part 1 for financially distressed cities, villages, and townships shall be granted by the department of treasury to cities, villages, and townships that have 1 or more conditions that indicate probable financial distress, as determined by the department of treasury. A city, village, or township with 1 or more conditions that indicate probable financial distress may apply in a manner determined by the department of treasury for a grant to pay for specific projects or services that move the city, village, or township toward financial stability. Grants are to be used for specific projects or services that move the city, village, or township toward financial stability. The city, village, or township may use, but is not limited to using, the grants under this section to make payments to reduce unfunded accrued liability; to repair or replace critical infrastructure and equipment owned or maintained by the city, village, or township; to reduce debt obligations; or for costs associated with a transition to shared services with another jurisdiction. The department of treasury shall award no more than $2,000,000.00 to any city, village, or township under this section.

(2) The department of treasury shall provide a report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by March 31. The report shall include a list by grant recipient of the date each grant was approved, the amount of the grant, and a description of the project or projects that will be paid by the grant.

(3) The unexpended funds appropriated in part 1 for financially distressed cities, villages, and townships are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide assistance to financially distressed cities, villages, and townships under this section.

(b) The projects will be accomplished by grants to cities, villages, and townships approved by the department of treasury.

(c) The total estimated cost of all projects is $5,000,000.00.

(d) The tentative completion date is September 30, 2021.

**BUREAU OF STATE LOTTERY**

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from state lottery fund revenues the amount necessary for, and directly related to, implementing and operating lottery games under the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47, and activities under the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.120, including expenditures for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the online system communications network, and incentive and bonus payments to lottery retailers.

Sec. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of MDHHS bridge cards cannot be used to purchase lottery tickets.

Sec. 964. For the bureau of the state lottery, there is appropriated 1% of the lottery's prior fiscal year's gross sales or $25,000,000.00, whichever is less, for promotion and advertising.

**CASINO GAMING**

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, $2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.212a.

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497.

(2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

(4) A local revenue sharing board described in subsection (1) shall comply with all applicable provisions of any agreement authorized by the Indian gaming regulatory act, Public Law 100-497, in which the local revenue sharing board is referenced, including, but not limited to, the disbursal of tribal casino payments received under applicable provisions of the tribal-state class III gaming compact in which those funds are received.

(5) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(6) The Michigan gaming control board shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations and the state budget director on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 974. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

Sec. 976. The executive director of the Michigan gaming control board may pay rewards of not more than $5,000.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the appropriation in part 1 for the racing commission.

Sec. 977. All appropriations from the Michigan agriculture equine industry development fund, except for the racing commission and laboratory analysis program appropriations, shall be reduced proportionately if revenues to the Michigan agriculture equine industry development fund decline during the fiscal year ending September 30, 2017 to a level lower than the amount appropriated in part 1.

Sec. 978. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house appropriations subcommittees on agriculture and general government, the state budget office, and the senate and house fiscal agencies. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

Sec. 979. In addition to the funds appropriated in part 1, the Michigan gaming control board may receive and expend state lottery fund revenue in an amount not to exceed $4,000,000.00 for necessary expenses incurred in the licensing and regulation of millionaire parties pursuant to Executive Order No. 2012-4. In accordance with section 8 of the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.108, the amount of necessary expenses shall not exceed the amount of revenue received under that act. The Michigan gaming control board shall provide a report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by April 15. The report shall include, but not be limited to, total expenditures related to the licensing and regulating of millionaire parties, steps taken to ensure charities are receiving revenue due to them, progress on promulgating rules to ensure compliance with the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.120, and any enforcement actions taken.

**DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT**

Sec. 980. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $30,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 981. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $35,083,100.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $19,452,700.00. Total agency appropriations for retiree health care legacy costs are estimated at $15,630,400.00.

**MICHIGAN STRATEGIC FUND - HOUSING AND COMMUNITY DEVELOPMENT**

Sec. 990. MSHDA shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 994. In addition to the funds appropriated in part 1, the funds collected by state historic preservation programs for document reproduction and services and application fees are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the succeeding fiscal year.

Sec. 995. In addition to the amounts appropriated in part 1, the land bank fast track authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act, including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

**MICHIGAN STRATEGIC FUND**

Sec. 1005. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of "Pure Michigan" and all other copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury. The fund shall provide a report that lists the revenues by source received from the use of "Pure Michigan" and all other copyrighted slogans and images. The report shall provide a detailed list of expenditures of revenues received under this section. The report shall be provided to the appropriations subcommittees on general government, the fiscal agencies, and the state budget office by March 15.

Sec. 1007. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the MEDC grants and investment programs financed from the fund using investment, Indian gaming revenues, or other revenues. The report shall provide a list of individual grants, loans, and investments made from the fund or by the MEDC from the funds appropriated in part 1 and shall include the name of the recipient, the amount awarded to the recipient, and the purpose of the grant. The activities report shall also include, but not be limited to, the following programs funded in part 1:

(a) Travel Michigan, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan promotion program or Pure Michigan programs. The report shall include the number of commercials produced, the types of media purchased, and the target of tourism promotion used in Michigan tourism promotion material.

(b) Business attraction, retention, and growth, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan business marketing program. The report shall include the number of commercials produced, the markets in which media buys have been made, and any web-based products that were created as a result of this appropriation.

(c) Community development block grants.

(d) Strategic fund administration.

(e) Renaissance zones.

(f) 21st century investment program.

(g) Michigan business development program.

(h) Community revitalization program.

(i) Core community fund.

(j) Any other programs of the fund.

(2) As a condition of the expenditure of funds appropriated in part 1 for business attraction and community revitalization, the fund shall submit a report to the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office that provides performance metrics for the Michigan business development program and community revitalization program. The report shall include, but is not limited to, all of the following for all appropriated funds that are available during the fiscal year:

(a) Total verified jobs created, as required by statute, compared to total committed jobs.

(b) Total actual private investment compared to total projected private investment.

(c) An estimate of the return on investment to the state as a result of the incentives.

(d) A listing of projects previously awarded incentives that were revoked and the reason for revocation.

(e) A listing of projects that had incentive contracts amended by the fund or MEDC. The listing shall include a detailed listing of the amendments made to the contract.

(3) The reports in subsections (1) and (2) shall be submitted by March 15. The report for each program in subsection (1)(a) through (j) shall include details on all revenue sources, actual expenditures, and number of FTEs for that program for the previous fiscal year. For any programs operated under the Michigan strategic fund act, the requirements in subsections (1), (2)(a), and (2)(b) may be met if the report required under section 9 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2009, is provided by March 15.

Sec. 1008. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the MEDC will work cooperatively with that private organization in that local area.

Sec. 1009. (1) Of the funds appropriated to the fund or through grants to the MEDC, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

(a) The land is located in an economically distressed area.

(b) The land is obtained through a purchase or exercise of an option at the invitation of the local unit of government and local economic development agency.

(2) Consideration may be given to purchases where the proposed use of the land is consistent with a regional land use plan, will result in the redevelopment of an economically distressed area, can be supported by existing infrastructure, and will not cause shifts in population away from the area's population centers.

(3) As used in this section, "economically distressed area" means an area in a city, village, or township that has been designated as blighted; a city, village, or township that shows negative population change from 1970 and a poverty rate and unemployment rate greater than the statewide average; or an area certified as a neighborhood enterprise zone under the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786.

Sec. 1010. As a condition for receiving funds in part 1, not later than March 15, the fund shall provide a report for the immediately preceding fiscal year on the jobs for Michigan investment fund, created in section 88h of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088h. The report shall be submitted to the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office. The report shall include, but is not limited to, all of the following:

(a) A detailed listing of revenues, by fund source, to the jobs for Michigan investment fund. The listing shall include the manner and reason for which the funds were appropriated to the jobs for Michigan investment fund.

(b) A detailed listing of expenditures, by project, from the jobs for Michigan investment fund.

(c) A fiscal year-end balance of the jobs for Michigan investment fund.

Sec. 1011. (1) From the appropriations in part 1 to the fund and granted or transferred to the MEDC, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds shall be used for the same purposes for which funding was originally appropriated in this part and part 1.

Sec. 1012. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

(a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(c) Annual audits of all financial records by the auditor general or his or her designee.

(d) All reports required by law to be submitted to the legislature.

(2) If the MEDC is unable for any reason to perform duties under this part, the fund may exercise those duties.

Sec. 1013. As a condition for receiving the appropriations in part 1, any staff of the MEDC involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants, incentives, or tax abatements from the fund, the MEDC, or the Michigan economic growth authority.

Sec. 1020. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. The department may carry forward into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. The department shall report the amount and source of the funds to the senate and house appropriation subcommittees on general government, the senate and house fiscal agencies, and the state budget office within 10 business days after receiving any additional pass-through funds.

Sec. 1024. From the funds appropriated in part 1 for business attraction and community revitalization, not less than $20,000,000.00 shall be granted by the fund board for brownfield redevelopment and historic preservation projects under the community revitalization program authorized by chapter 8C of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090 to 125.2090d.

Sec. 1032. (1) The department shall report to the subcommittees, the state budget director, and the fiscal agencies on the status of the film incentives at the same time as it submits the annual report required under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455. The department of treasury shall provide the department of talent and economic development with the data necessary to prepare the report. Incentives included in the report shall include all of the following:

(a) The tax credit provided under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455.

(b) The tax credit provided under section 457 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.

(c) The tax credit provided under section 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1459.

(d) The amount of any tax credit claimed under former section 367 of the income tax act of 1967, 1967 PA 281.

(e) Any tax credits provided for film and digital media production under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(f) Loans to an eligible production company or film and digital media private equity fund authorized under section 88d(3), (4), and (5) of the Michigan strategic fund act, 2005 PA 225, MCL 125.2088d.

(2) The report shall include all of the following information:

(a) For each tax credit, the number of contracts signed, the projected expenditures qualifying for the credit, and the estimated value of the credits. For loans, the number of loans made under each section, the interest rate of those loans, the loan amount, the percent of the projected budget of each production financed by those loans, and the estimated interest earnings from the loan.

(b) For credits authorized under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455, for productions completed by December 31, the expenditures of each production eligible for the credit that has filed a request for certificate of completion with the film office, broken down into expenditures for goods, services, or salaries and wages and showing separately expenditures in each local unit of government, including expenditures for personnel, whether or not they were made to a Michigan entity, and whether or not they were taxable under the laws of this state. For loans, the report shall include the number of loans that have been fully repaid, with principal and interest shown separately, and the number of loans that are delinquent or in default, and the amount of principal that is delinquent or is in default.

(c) For each of the tax credit incentives and loan incentives listed in subsection (1), a breakdown for each project or production showing each of the following:

(*i*) The number of temporary jobs created.

(*ii*) The number of permanent jobs created.

(*iii*) The number of persons employed in Michigan as a result of the incentive, on a full-time equated basis.

(3) For any information not included in the report due to the provisions of section 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, the report shall do all of the following:

(a) Indicate how the information would describe the commercial and financial operations or intellectual property of the company.

(b) Attest that the information has not been publicly disseminated at any time.

(c) Describe how disclosure of the information may put the company at a competitive disadvantage.

(4) Any information not disclosed due to the provisions of section 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, shall be presented at the lowest level of aggregation that would no longer describe the commercial and financial operations or intellectual property of the company.

Sec. 1033. As a condition of receiving funds in part 1, not later than March 15, the department of talent and economic development shall provide a report on the activities of the Michigan film and digital media office for the immediately preceding fiscal year. The report shall be submitted to the chairpersons of the senate and house of representatives subcommittees on general government, the senate and house fiscal agencies, and the state budget office. The report shall include, but not be limited to, a listing of all projects the Michigan film and digital media office provided assistance on, a listing of the services provided for each project, and an estimate of investment leveraged.

Sec. 1034. Each business incubator or accelerator that received an award from the fund shall maintain and update a dashboard of indicators to measure the effectiveness of the business incubator and accelerator programs. Indicators shall include the direct jobs created, new companies launched as a direct result of business incubator or accelerator involvement, businesses expanded as a direct result of business incubator or accelerator involvement, direct investment in client companies, private equity financing obtained by client companies, grant funding obtained by client companies, and other measures developed by the recipient business incubators and accelerators in conjunction with the MEDC. Dashboard indicators shall be reported for the prior fiscal year and cumulatively, if available. Each recipient shall submit a copy of their dashboard indicators to the fund by March 1. The fund shall transmit the local reports to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by March 15.

Sec. 1035. (1) From the appropriation in part 1, the Michigan council for arts and cultural affairs shall administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline for administering this program. The council shall do all of the following:

(a) On or before October 1, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment before finalizing the application criteria, instructions, and forms.

(b) A nonrefundable application fee may be assessed for each application. Application fees shall be deposited in the council for the arts fund and are appropriated for expenses necessary to administer the programs. These funds are available for expenditure when they are received and may be carried forward to the following fiscal year.

(c) Grants are to be made to public and private arts and cultural entities.

(d) Within 1 business day after the award announcements, the council shall provide to each member of the legislature and the fiscal agencies a list of all grant recipients and the total award given to each recipient, sorted by county.

(2) The appropriation in part 1 for arts and cultural program shall not be used for the administration of the grant program.

Sec. 1036. (1) The general fund/general purpose funds appropriated in part 1 to the fund for business attraction and community revitalization shall be transferred to the 21st century jobs trust fund per section 90b(3) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090b.

(2) Funds transferred to the 21st century jobs trust fund under subsection (1) are appropriated and available for allocation as authorized in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.

Sec. 1038. (1) From the funds appropriated in part 1, the department shall work with Michigan State University to gather information and create an annual progress report on the construction of the Facility for Rare Isotope Beams. The report shall include, but is not limited to, the following information:

(a) If construction is ahead of the scheduled timeline made with the United States Department of Energy at the end of the previous fiscal year and the number of weeks.

(b) If the cost of construction is under or over the amount projected for the previous fiscal year and the amount.

(c) The number of Michigan companies that have been contracted for the project, the total amount of those contracts, and number of permanent and temporary employees employed in the previous fiscal year.

(2) The department shall report to the state budget director, appropriations subcommittees, senate and house appropriation subcommittees on general government, and senate and house fiscal agencies by March 15. If information is not provided by Michigan State University by March 15, the department shall provide notice of steps taken to get the required information and when it will be available.

Sec. 1040. As a condition of receiving funds in part 1, the department of talent and economic development shall utilize MAIN, or a successor MDTMB-administered administrative information system used across state government, as an appropriation and expenditure reporting system to track all financial transactions with individual vendors, contractual partners, grantees, recipients of business incentives, and recipients of other economic assistance. Encumbrances and expenditures shall be reported in a timely manner.

Sec. 1041. From the funds appropriated in part 1 for business attraction and community revitalization, the fund shall request the transfer by the state treasurer of not more than 60% of the funds prior to April 1.

Sec. 1042. For the funds appropriated in part 1 for business attraction and community revitalization, the fund shall report quarterly on the amount of funds considered appropriated, pre-encumbered, encumbered, and expended. The report shall also include a listing of appropriations for business attraction and community revitalization, or a predecessor, in 2011 PA 63, 2012 PA 200, 2013 PA 59, and 2014 PA 252, that were considered appropriated, pre-encumbered, encumbered, or expended that have lapsed back to the fund for any purpose. The report shall be submitted to the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office.

Sec. 1043. (1) The fund, in conjunction with the department of treasury, shall report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by November 1 on the annual cost of the Michigan economic growth authority tax credits. The report shall include for each year the board-approved credit amount, adjusted for credit amendments where applicable, and the actual and projected value of tax credits for each year from 1995 to the expiration of the credit program. For years for which credit claims are complete, the report shall include the total of actual certificated credit amounts. For years for which claims are still pending or not yet submitted, the report shall include a combination of actual credits where available and projected credits. Credit projections shall be based on updated estimates of employees, wages, and benefits for eligible companies.

(2) In addition to the report under subsection (1), the fund, in conjunction with the department of treasury, shall report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by November 1 on the annual cost of all other certificated credits by program, for each year until the credits expire or can no longer be collected. The report shall include estimates on the brownfield redevelopment credit, film credits, MEGA photovoltaic technology credit, MEGA polycrystalline silicon manufacturing credit, MEGA vehicle battery credit, and other certificated credits.

Sec. 1046. (1) From the one-time funds appropriated in part 1 for special grants, $275,000.00 shall be awarded to a charitable nonprofit community health care center located in a city with a population greater than 600,000 according to the most recent federal decennial census.

(2) From the one-time funds appropriated in part 1 for special grants, $50,000.00 shall be awarded to a nonprofit community development corporation in a city with a population greater than 600,000 according to the most recent federal decennial census.

(3) From the one-time funds appropriated in part 1 for special grants, $30,000.00 shall be awarded for a greenhouse renovation at a high school located in a county with a population greater than 1,700,000 and in a city with a population of between 62,000 and 64,000 according to the most recent federal decennial census.

(4) From the one-time funds appropriated in part 1 for special grants, $95,000.00 shall be awarded for repairs at a park located in a county with a population greater than 1,700,000 and in a city with a population of between 62,000 and 64,000 according to the most recent federal decennial census.

(5) From the one-time funds appropriated in part 1 for special grants, $100,000.00 shall be awarded for upgrading computer hardware at a school located in a county with a population greater than 1,700,000 and in a charter township with a population of between 48,000 and 49,000 according to the most recent federal decennial census.

(6) From the one-time funds appropriated in part 1 for special grants, $100,000.00 shall be awarded for a recreation complex located in a county with a population greater than 1,700,000 and in a city with a population between 17,000 and 18,000 according to the most recent federal decennial census.

(7) From the one-time funds appropriated in part 1 for special grants, $100,000.00 shall be awarded to a justice center located in a city with a population greater than 600,000 according to the most recent federal decennial census.

(8) From the one-time funds appropriated in part 1 for special grants, $75,000.00 shall be awarded to a women's shelter located in a city with a population greater than 600,000 according to the most recent federal decennial census.

(9) From the one-time funds appropriated in part 1 for special grants, $950,000.00 shall be awarded as a grant to a financially distressed city that has a level 3, high-priority capital improvement that has a cost estimate above $10,000,000.00, has local matching dollars, and has previously applied to the financially distressed cities, villages, and townships fund, but has not been awarded any previous grants.

(10) From the one-time funds appropriated in part 1 for special grants, $800,000.00 shall be awarded as a parking redevelopment grant to a state park that is less than 50 acres and is connected to a multi-city trolley system.

(11) From the one-time funds appropriated in part 1 for special grants, $250,000.00 shall be awarded for capital repayments on a water tower that has deteriorated lead paint inside of the well, operates a wellhead protection plan, is over 30 years old, and has $100,000.00 in matching funds located in a county with a population between 135,000 and 137,000 and in a village with a population between 900 and 1,100 according to the most recent federal decennial census.

(12) From the one-time funds appropriated in part 1 for special grants, $500,000.00 shall be awarded to support capital improvements to an African American museum in a city with a population greater than 600,000 according to the most recent federal decennial census.

(13) From the one-time funds appropriated in part 1 for special grants, $2,500,000.00 shall be awarded to support a youth fair in a county with a population between 600,000 and 610,000 according to the most recent federal decennial census.

(14) From the one-time funds appropriated in part 1 for special grants, $2,500,000.00 shall be awarded for park improvements at a park located in a county with a population between 600,000 and 610,000 and in a charter township with a population between 5,900 and 6,100 according to the most recent federal decennial census.

(15) From the one-time funds appropriated in part 1 for special grants, $100,000.00 shall be awarded for a recreation complex located in a county with a population greater than 1,700,000 and in a city with a population of between 84,000 and 85,000 according to the most recent federal decennial census.

(16) From the one-time funds appropriated in part 1 for special grants, $25,000.00 shall be awarded to a community center in a city with a population greater than 600,000 according to the most recent federal decennial census.

(17) From the one-time funds appropriated in part 1 for special grants, $100,000.00 shall be awarded to a multidisciplinary, nonprofit architecture and urban design firm in a city with a population greater than 600,000 according to the most recent federal decennial census.

(18) From the one-time funds appropriated in part 1 for special grants, $1,000,000.00 shall be awarded to an independent biomedical research and science education organization in a county with a population between 600,000 and 610,000 and a city with a population between 187,000 and 189,000 according to the most recent federal decennial census to be used for matching federal funds, private and nonprofit grants, and private contributions.

(19) From the funds appropriated in part 1 for special grants, $200,000.00 shall be awarded to support a farmer's market in a county with a population between 172,000 and 173,000 and a city with a population between 38,000 and 40,000 according to the most recent federal decennial census.

(20) From the funds appropriated in part 1 for special grants, $250,000.00 shall be awarded to a consortium that develops unmanned aerial systems technology and has a teaming agreement or partnership with a Federal Aviation Administration designated testing site. The consortium must also be working with a community college that has received a skilled trades equipment fund grant and is using a portion of the grant to purchase equipment for unmanned aerial systems technology for education.

(21) From the one-time funds appropriated in part 1 for special grants, $2,000,000.00 shall be awarded to Kalamazoo Valley Community College to support the healthy living campus.

**TALENT INVESTMENT AGENCY**

Sec. 1060. The talent investment agency shall administer the PATH 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. From the funds appropriated in part 1 for workforce programs subgrantees, the talent investment agency may allocate funding for grants to nonprofit organizations that offer programs pursuant to the workforce investment act of 1998, 29 USC 2801 to 2945, or the workforce innovation and opportunity act, 29 USC 3101 to 3361, eligible youth focusing on pre-apprenticeship and apprenticeship activities, 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 talent investment agency shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

Sec. 1062. The talent investment agency 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 of 1998, 29 USC 2801 to 2945, workforce innovation and opportunity act, 29 USC 3101 to 3361, or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The talent investment agency shall report by February 15 to the subcommittees, the fiscal agencies, and the state budget office on the amount by fiscal year of federal workforce investment act of 1998, 29 USC 2801 to 2945, workforce innovation and opportunity act, 29 USC 3101 to 3361, funds appropriated under this section.

Sec. 1065. The talent investment agency shall publish data and reports quarterly on the agency website concerning the status of the career technology and skilled trades training program funded in part 1. The report shall include the following:

(a) The number of awardees participating in the program and the names of those awardees organized by major industry group.

(b) The amount of funding received by each awardee under the program.

(c) Amount of funding leveraged from each awardee or other funding source for each awardee project.

(d) Training models established by each awardee.

(e) The number of individuals enrolled in a skilled trades training program by awardee.

(f) The number of individuals who completed the program and were hired by awardee.

(g) The number of applications received and the number of applications approved for each region.

(h) The department of talent and economic development shall expand workforce training and reemployment services to better connect workers to in-demand jobs and identify specific outcomes with performance metrics for this initiative, including, but not limited to, new apprenticeships, jobs created, jobs retained, training completed, and employment retention rate at 6 months, and hourly wage at 6 months.

Sec. 1066. As a condition of receiving funds in part 1 for the skilled trades training program, the talent investment agency shall administer the program as follows:

(a) The talent investment agency shall work cooperatively with grantees to maximize the amount of funds from part 1 that are available for direct training.

(b) The talent investment agency, workforce development partners, including regional Michigan Works! agencies, and employers shall collaborate and work cooperatively to prioritize and streamline the expenditure of the funds appropriated in part 1. The talent investment agency shall ensure that the skilled trades training program provides a collaborative statewide network of workforce and employee skill development partners that addresses the employee talent needs throughout the state.

(c) The talent investment agency shall ensure that grants are utilized for individual skill enhancement for employees of Michigan businesses including the development of additional opportunities for apprenticeship programs and more advance-tech training programs. Funds shall not be distributed to program and process centered training organization employers.

(d) The talent investment agency shall develop program goals and detailed guidance for prospective participants to follow to qualify under the program. The program goals and detailed guidance shall be posted on the talent investment agency website and distributed to workforce development partners, including local Michigan Works! agencies, by October 1. Periodic assessments of employer and employee needs shall be evaluated on a regional basis, and the talent investment agency shall identify solutions and goals to be implemented to satisfy those needs. The talent investment agency shall notify the senate and house of representatives standing committees on appropriations, the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house

fiscal agencies, and the state budget office on any program goal, solution, or guidance changes not fewer than 14 days prior to the finalization and publication of the changes. Revenue received by the talent investment agency for the skilled trades training program may be expended for the purpose of those programs.

(e) Up to $5,000,000.00 of the funds may be expended to match federal funds. The intent of these funds will involve improving and increasing the skill level of employees in skilled trades in the automotive industry and the manufacturing processes within the changing manufacturing environment.

Sec. 1068. (1) Of the funds appropriated in part 1 for the workforce training programs, the talent investment agency shall provide a report by March 15 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the state budget director, and the fiscal agencies on the status of the workforce training programs. The report shall include the following:

(a) The amount of funding allocated to each Michigan Works! agency and the total funding allocated to the workforce training programs statewide by fund source.

(b) The number of participants enrolled in education or training programs by each Michigan Works! agency.

(c) The average duration of training for training program participants by each Michigan Works! agency.

(d) The number of participants enrolled in remedial education programs and the number of participants enrolled in literacy programs.

(e) The number of participants enrolled in programs at 2-year institutions.

(f) The number of participants enrolled in 4-year institutions.

(g) The number of participants enrolled in proprietary schools or other technical training programs.

(h) The number of participants that have completed education or training programs.

(i) The number of participants who secured employment in Michigan within 1 year of completing a training program.

(j) The number of participants who completed a training program and secured employment in a field related to their training.

(k) The average wage earned by participants who completed a training program and secured employment within 1 year.

(*l*) The actual revenues received by the fund source and fund appropriated for each discrete workforce development program area.

(2) Data collection for the report shall be for the prior state fiscal year.

Sec. 1076. The unemployment insurance agency shall provide the senate and house appropriations subcommittees on general government, senate and house fiscal agencies, and the state budget office with quarterly status reports on the implementation of and improvements to 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, a summary of the tasks completed, and a summary of the tasks anticipated to be completed in the subsequent quarter.

Sec. 1077. The department of talent and economic development shall report quarterly to the members of the house and senate committees on appropriations, the senate and house 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 Michigan web account manager system or any application developed for that purpose. The department of talent and economic development shall implement improvements to the Internet Michigan web account manager system that promote greater ease of access and security with a goal of reaching 75% of users certifying by using the Internet Michigan web account manager system or another system that reduces staff face time and Michigan automated response voice interactive network telephone system usage.

Sec. 1078. (1) From the funds appropriated in part 1 for the unemployment insurance agency, the department of talent and economic development shall maintain customer service standards for employers and claimants making use of the various means by which they can access the system.

(2) The department of talent and economic development shall identify specific outcomes and performance metrics for this initiative, including, but not limited to, the following:

(a) Unemployment benefit fund balance.

(b) Process improvement – fiscal integrity.

(c) Process improvement – determination timeliness.

(d) Process improvement – determination quality.

Sec. 1079. (1) The talent investment agency shall extend the interagency agreement with the department of health and human services for the duration of the current fiscal year, which concerns TANF funding to provide job readiness and welfare-to-work programming. The interagency agreement shall include specific outcome and performance reporting requirements as described in this section. TANF funding provided to the talent investment agency in the current fiscal year is contingent on compliance with the data and reporting requirements described in this section. The interagency agreement shall require the talent investment agency to provide all of the following items for the previous year to the senate and house appropriations committees by January 1 of the current fiscal year:

(a) An itemized spending report on TANF funding, including all of the following:

(*i*) Direct services to clients.

(*ii*) Administrative expenditures.

(b) The number of family independence program clients served through the TANF funding, including all of the following:

(*i*) The number and percentage who obtained employment through Michigan Works!

(*ii*) The number and percentage who fulfilled their TANF work requirement through other job readiness programming.

(*iii*) Average TANF spending per client.

(*iv*) The number and percentage of clients who were referred to Michigan Works! but did not receive a job or job readiness placement and the reasons why.

(2) Not later than March 15 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices an annual report on the following matters itemized by Michigan Works! agency: the number of referrals to Michigan Works! job readiness programs, the number of referrals to Michigan Works! job readiness programs who became a participant in the Michigan Works! job readiness programs, the number of participants who obtained employment, and the cost per participant case.

Sec. 1080. (1) From the funds appropriated in part 1 for community ventures, the department of talent and economic development may expend not more than $2,000,000.00 of the funds as matching funds upon the commitment of matching dollars from private sources. For every $1.00 the department of talent and economic development elects to receive from a private source for the purposes of a community ventures program match, the department of talent and economic development shall expend $1.00 from the appropriation in part 1 up to $2,000,000.00. Funds received from private sources for a community ventures program match are appropriated upon receipt and shall be expended for the purposes of the community ventures program.

(2) The department shall identify specific outcomes and performance measures for this initiative, including, but not limited to, the following:

(a) The number of commitments from private sources, including the dollar amount committed and source.

(b) Additional participants served with challenge funds.

(c) Jobs created and the average wage.

Sec. 1081. (1) From the funds appropriated in part 1 for statewide system for data integration, the department shall establish new information technology systems to integrate data for talent and pipeline development to track and report workforce development activities and provide for sustained and expanded longitudinal data analysis between state departments.

(2) The department shall identify specific outcomes and performance metrics for this initiative, including, but not limited to, the following:

(a) Job placements and retention at 6 months.

(b) Apprenticeships completed.

(c) Average wage.

Sec. 1083. From the one-time funds appropriated in part 1 for the sustainable employment pilot program, the department of talent and economic development shall create or contract with another entity to provide a pilot program that focuses on moving individuals off of government assistance programs and measuring the corresponding savings to the state of Michigan. The pilot program shall work with local community and workforce development agencies and focus on long-term results.

**STATE BUILDING AUTHORITY**

Sec. 1100. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department of treasury may expend from the general fund of the state during the fiscal year an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative appropriation act that is effective for the immediately preceding fiscal year. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

(2) Upon sale of bonds or notes for the projects identified in part 1 or for equipment as authorized by a legislative appropriation act and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.

(3) For state building authority projects for which bonds or notes have been issued and upon the request of the state building authority, the state treasurer shall make advances without interest from the general fund as necessary to meet cash flow requirements for the projects, which advances shall be reimbursed by the state building authority when the investments earmarked for the financing of the projects mature.

(4) In the event that a project identified in part 1 is terminated after final design is complete, advances made on behalf of the state building authority for the costs of final design shall be repaid to the general fund in a manner recommended by the director.

Sec. 1102. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

(2) As used in this section, "revenue" includes state appropriations, facility opening money, other state aid, indirect cost reimbursement, and other revenue generated by the activities of the facility.

Sec. 1103. The state building authority shall provide to the JCOS and senate and house fiscal agencies a report relative to the status of construction projects associated with state building authority bonds as of September 30 of each year, on or before October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

(a) A list of all completed construction projects for which state building authority bonds have been sold, and which bonds are currently active.

(b) A list of all projects under construction for which sale of state building authority bonds is pending.

(c) A list of all projects authorized for construction or identified in an appropriations act for which approval of schematic/preliminary plans or total authorized cost is pending that have state building authority bonds identified as a source of financing.

**REVENUE STATEMENT**

Sec. 1201. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

BUDGET RECOMMENDATIONS BY OPERATING FUNDS
(Amounts in millions)
Fiscal Year 2016-2017

| | Fund | Beginning Available Balance | Estimated Revenue | Ending Balance |
|---|---|---|---|---|
| OPERATING FUNDS | | | | |
| General fund/general purpose | 0110 | 136.6 | 9,840.5 | 0.3 |
| General fund/special purpose | | 875.0 | 28,609.1 | 664.2 |
| Special Revenue Funds: | | | | |
| Countercyclical budget and economic stabilization | 0111 | 611.0 | 17.9 | 628.9 |
| Game and fish protection | 0112 | 3.5 | 82.9 | 3.7 |
| Michigan employment security act administration | 0113 | 0.0 | 42.1 | 0.0 |
| State aeronautics | 0114 | 2.7 | 17.6 | 0.0 |
| Michigan veterans' benefit trust | 0115 | 0.0 | 3.7 | 0.0 |
| State trunkline | 0116 | 0.0 | 1,001.5 | 0.0 |
| Michigan state waterways | 0117 | 8.2 | 30.8 | 6.5 |
| Blue Water Bridge | 0118 | 18.9 | 23.6 | 0.0 |
| Michigan transportation | 0119 | 0.0 | 2,514.9 | 0.0 |
| Comprehensive transportation | 0120 | 3.8 | 316.7 | 0.0 |
| School aid | 0122 | 104.0 | 12,445.8 | 0.0 |
| 21st century jobs fund | 0383 | 81.6 | 75.0 | 65.9 |
| Detroit public schools trust fund | NEW | 0.0 | 72.0 | 0.0 |
| Game and fish protection trust | 0124 | 0.0 | 15.9 | 0.0 |
| State park improvement | 0125 | 12.6 | 57.5 | 7.9 |
| Forest development | 0126 | 12.7 | 40.9 | 8.2 |
| Michigan natural resources trust | 0129 | 13.4 | 32.9 | 30.6 |
| Michigan state parks endowment | 0130 | 0.5 | 40.9 | 0.5 |
| Safety education and training | 0131 | 5.2 | 9.6 | 4.5 |
| Bottle deposit | 0136 | 5.7 | 14.9 | 2.6 |
| State construction code | 0138 | 7.2 | 8.4 | 7.4 |
| Children's trust | 0139 | 1.8 | 1.2 | 1.2 |
| State casino gaming | 0140 | 1.7 | 0.3 | 2.0 |
| Michigan nongame fish and wildlife | 0143 | 0.4 | 0.5 | 0.3 |
| Michigan merit award trust | 0154 | 48.7 | 28.6 | 0.0 |
| Outdoor recreation legacy | 0162 | 1.1 | 3.0 | 1.1 |

| | | | | |
|---|---|---|---|---|
| Off-road vehicle account | 0163 | 5.7 | 7.2 | 5.4 |
| Snowmobile account | 0164 | 5.6 | 11.6 | 5.5 |
| Silicosis dust disease and logging | 0870 | 1.4 | 0.9 | 1.2 |
| Utility consumer representation | 0893 | 1.6 | 1.2 | 1.5 |
| TOTALS | | $1,936.9 | $55,369.6 | $1,449.4 |

ARTICLE X

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

APPROPRIATION SUMMARY

| | |
|---|---|
| Full-time equated unclassified positions | 6.0 |
| Full-time equated classified positions | 15,570.5 |
| Average population | 770.0 |
| GROSS APPROPRIATION | $ 24,841,836,800 |
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | 13,513,700 |
| ADJUSTED GROSS APPROPRIATION | $ 24,828,323,100 |
| Federal revenues: | |
| Social security act, temporary assistance for needy families | 556,850,000 |
| Capped federal revenues | 596,489,100 |
| Total other federal revenues | 16,727,563,100 |
| Special revenue funds: | |
| Total local revenues | 124,445,800 |
| Total private revenues | 154,259,300 |
| Total local and private revenues | 278,705,100 |
| Michigan merit award trust fund | 23,807,900 |
| Total other state restricted revenues | 2,270,359,600 |
| State general fund/general purpose | $ 4,374,548,300 |

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION**

| | |
|---|---|
| Full-time equated unclassified positions | 6.0 |
| Full-time equated classified positions | 687.2 |
| Director and other unclassified—6.0 FTE positions | $ 1,119,300 |
| Departmental administration and management—493.2 FTE positions | 79,489,000 |
| Demonstration projects—7.0 FTE positions | 7,355,100 |
| Developmental disabilities council and projects—10.0 FTE positions | 3,067,000 |
| Information technology projects and services | 158,998,300 |
| Michigan Medicaid information system | 50,634,400 |
| Office of inspector general—177.0 FTE positions | 21,633,000 |
| Rent and state office facilities | 62,783,800 |
| State office of administrative hearings and rules | 11,140,300 |
| Terminal pay and other employee costs | 5,686,100 |
| Worker's compensation program | 7,956,500 |
| GROSS APPROPRIATION | $ 409,862,800 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG from department of education | 2,979,000 |
| Federal revenues: | |
| Social security act, temporary assistance for needy families | 44,896,800 |
| Capped federal revenues | 32,314,000 |
| Total other federal revenues | 147,838,200 |
| Special revenue funds: | |
| Total local revenues | 16,400 |
| Total private revenues | 23,842,000 |
| Total other state restricted revenues | 2,824,600 |
| State general fund/general purpose | $ 155,151,800 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **Sec. 103. CHILD SUPPORT ENFORCEMENT** | | |
| Full-time equated classified positions | 185.7 | |
| Child support enforcement operations—179.7 FTE positions | | $ 22,151,300 |
| Legal support contracts | | 113,359,100 |
| Child support incentive payments | | 24,409,600 |
| State disbursement unit—6.0 FTE positions | | 8,101,700 |
| Child support automation | | 41,877,600 |
| GROSS APPROPRIATION | | $ 209,899,300 |
| Appropriated from: | | |
| Federal revenues: | | |
| Capped federal revenues | | 11,395,000 |
| Total other federal revenues | | 163,998,000 |
| Special revenue funds: | | |
| State general fund/general purpose | | $ 34,506,300 |
| **Sec. 104. COMMUNITY SERVICES AND OUTREACH** | | |
| Full-time equated classified positions | 74.6 | |
| Bureau of community services and outreach—20.0 FTE positions | | $ 2,503,700 |
| Community services block grant | | 25,840,000 |
| Weatherization assistance | | 16,340,000 |
| School success partnership program | | 450,000 |
| Homeless programs | | 15,721,900 |
| Domestic violence prevention and treatment—14.6 FTE positions | | 15,766,200 |
| Rape prevention and services—0.5 FTE position | | 5,097,300 |
| Child advocacy centers—0.5 FTE position | | 2,000,000 |
| Michigan community service commission—15.0 FTE positions | | 11,621,300 |
| Housing and support services | | 13,031,000 |
| Crime victim grants administration services—13.0 FTE positions | | 2,165,100 |
| Crime victim justice assistance grants | | 59,279,300 |
| Crime victim rights services grants | | 16,870,000 |
| Community services and outreach administration—11.0 FTE positions | | 1,709,100 |
| GROSS APPROPRIATION | | $ 188,394,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| Social security act, temporary assistance for needy families | | 11,686,700 |
| Capped federal revenues | | 66,215,400 |
| Total other federal revenues | | 76,265,100 |
| Special revenue funds: | | |
| Private - collections | | 44,100 |
| Compulsive gambling prevention fund | | 1,040,500 |
| Sexual assault victims' prevention and treatment fund | | 3,000,000 |
| Child advocacy centers fund | | 2,000,000 |
| Crime victim's rights fund | | 15,327,200 |
| State general fund/general purpose | | $ 12,815,900 |
| **Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD WELFARE** | | |
| Full-time equated classified positions | 3,896.2 | |
| Children's services administration—172.0 FTE positions | | $ 19,900,700 |
| Title IV-E compliance and accountability office—4.0 FTE positions | | 421,300 |
| Child welfare institute—45.0 FTE positions | | 7,820,400 |
| Child welfare field staff - caseload compliance—2,511.0 FTE positions | | 230,862,600 |
| Child welfare field staff - noncaseload compliance—320.0 FTE positions | | 33,671,400 |
| Education planners—15.0 FTE positions | | 1,521,100 |
| Peer coaches—45.5 FTE positions | | 5,702,100 |
| Child welfare first line supervisors—578.0 FTE positions | | 72,313,800 |
| Second line supervisors and technical staff—54.0 FTE positions | | 8,833,600 |
| Permanency resource managers—28.0 FTE positions | | 3,170,200 |
| Contractual services, supplies, and materials | | 9,280,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Settlement monitor | $ | 1,885,800 |
| Foster care payments | | 185,628,400 |
| Guardianship assistance program | | 11,153,700 |
| Child care fund | | 183,375,800 |
| Child care fund administration—4.2 FTE positions | | 592,900 |
| Adoption subsidies | | 222,808,700 |
| Adoption support services—10.0 FTE positions | | 27,176,700 |
| Youth in transition—4.5 FTE positions | | 15,301,900 |
| Child welfare medical/psychiatric evaluations | | 10,435,500 |
| Psychotropic oversight | | 618,200 |
| Performance based funding implementation—3.0 FTE positions | | 1,778,900 |
| Family support subsidy | | 16,951,400 |
| Interstate compact | | 179,600 |
| Strong families/safe children | | 12,350,100 |
| Family preservation programs—23.0 FTE positions | | 38,872,800 |
| Family preservation and prevention services administration—9.0 FTE positions | | 1,291,300 |
| Child abuse and neglect - children's justice act—1.0 FTE position | | 621,800 |
| Children's trust fund—12.0 FTE positions | | 3,323,400 |
| Attorney general contract | | 4,321,800 |
| Prosecuting attorney contracts | | 3,061,700 |
| Child protection | | 800,300 |
| Child welfare licensing—57.0 FTE positions | | 6,549,800 |
| Child welfare administration travel | | 375,000 |
| GROSS APPROPRIATION | $ | 1,142,952,700 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from department of education | | 90,200 |
| Federal revenues: | | |
| Social security act, temporary assistance for needy families | | 360,871,800 |
| Capped federal revenues | | 110,163,000 |
| Total other federal revenues | | 247,761,700 |
| Special revenue funds: | | |
| Private - collections | | 2,424,000 |
| Local funds - county chargeback | | 14,194,000 |
| Children's trust fund | | 2,090,500 |
| State general fund/general purpose | $ | 405,357,500 |
| **Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE** | | |
| Full-time equated classified positions ... 111.5 | | |
| W.J. Maxey Training School | $ | 500,000 |
| Bay Pines Center—42.0 FTE positions | | 4,933,300 |
| Shawono Center—42.0 FTE positions | | 5,021,400 |
| County juvenile officers | | 3,904,300 |
| Community support services—3.0 FTE positions | | 2,110,500 |
| Juvenile justice, administration and maintenance—22.0 FTE positions | | 3,543,700 |
| Committee on juvenile justice administration—2.5 FTE positions | | 350,700 |
| Committee on juvenile justice grants | | 3,000,000 |
| GROSS APPROPRIATION | $ | 23,363,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| Capped federal revenues | | 8,018,200 |
| Total other federal revenues | | 5,000 |
| Special revenue funds: | | |
| Local funds - state share education funds | | 1,324,200 |
| Local funds - county chargeback | | 4,502,800 |
| State general fund/general purpose | $ | 9,513,700 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **Sec. 107. PUBLIC ASSISTANCE** | | |
| Full-time equated classified positions | 8.0 | |
| Family independence program | | $ 97,669,100 |
| State disability assistance payments | | 11,553,800 |
| Food assistance program benefits | | 2,348,117,400 |
| State supplementation | | 62,259,300 |
| State supplementation administration | | 2,381,100 |
| Low-income home energy assistance program | | 174,951,600 |
| Food Bank Council of Michigan | | 2,045,000 |
| Multicultural integration funding | | 13,303,800 |
| Indigent burial | | 4,375,000 |
| Emergency services local office allocations | | 10,357,500 |
| Michigan energy assistance program—1.0 FTE position | | 50,000,000 |
| Refugee assistance program—7.0 FTE positions | | 27,986,100 |
| GROSS APPROPRIATION | | $ 2,804,999,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| Social security act, temporary assistance for needy families | | 61,171,100 |
| Capped federal revenues | | 205,500,300 |
| Total other federal revenues | | 2,340,249,300 |
| Special revenue funds: | | |
| Child support collections | | 10,863,700 |
| Supplemental security income recoveries | | 5,115,900 |
| Public assistance recoupment revenue | | 6,290,000 |
| Low-income energy assistance fund | | 50,000,000 |
| State general fund/general purpose | | $ 125,809,400 |
| **Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES** | | |
| Full-time equated classified positions | 6,501.5 | |
| Public assistance field staff—4,703.5 FTE positions | | $ 475,636,200 |
| Contractual services, supplies, and materials | | 16,282,000 |
| Medical/psychiatric evaluations | | 1,420,100 |
| Donated funds positions—538.0 FTE positions | | 60,878,700 |
| Training and program support—20.0 FTE positions | | 2,432,000 |
| Volunteer services and reimbursement | | 942,400 |
| Field policy and administration—66.0 FTE positions | | 10,262,400 |
| Adult services field staff—425.0 FTE positions | | 44,864,400 |
| Nutrition education—2.0 FTE positions | | 23,042,700 |
| Employment and training support services | | 4,219,100 |
| Michigan rehabilitation services—526.0 FTE positions | | 131,221,800 |
| Independent living | | 12,031,600 |
| Electronic benefit transfer (EBT) | | 8,509,000 |
| Administrative support workers—221.0 FTE positions | | 12,754,900 |
| Elder Law of Michigan MiCAFE contract | | 350,000 |
| Field staff travel | | 8,103,900 |
| SSI advocacy legal services | | 500,000 |
| GROSS APPROPRIATION | | $ 813,451,200 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from department of corrections | | 101,200 |
| IDG from department of education | | 7,678,800 |
| Federal revenues: | | |
| Social security act, temporary assistance for needy families | | 67,455,800 |
| Capped federal revenues | | 161,523,300 |
| Federal supplemental security income | | 8,588,600 |
| Total other federal revenues | | 256,990,200 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Special revenue funds: | | |
| Local funds - donated funds | $ | 11,067,200 |
| Local vocational rehabilitation match | | 6,534,600 |
| Private funds - donated funds | | 18,420,200 |
| Private funds - gifts, bequests, and donations | | 1,854,600 |
| Rehabilitation service fees | | 384,500 |
| Second injury fund | | 38,300 |
| State general fund/general purpose | $ | 272,813,900 |
| **Sec. 109. DISABILITY DETERMINATION SERVICES** | | |
| Full-time equated classified positions ... 587.4 | | |
| Disability determination operations—583.3 FTE positions | $ | 111,392,700 |
| Retirement disability determination—4.1 FTE positions | | 602,900 |
| GROSS APPROPRIATION | $ | 111,995,600 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from DTMB - office of retirement services | | 778,300 |
| Federal revenues: | | |
| Total other federal revenues | | 107,784,000 |
| State general fund/general purpose | $ | 3,433,300 |
| **Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS** | | |
| Full-time equated classified positions ... 97.0 | | |
| Behavioral health program administration—77.0 FTE positions | $ | 54,184,200 |
| Gambling addiction—1.0 FTE position | | 3,005,900 |
| Protection and advocacy services support | | 194,400 |
| Community residential and support services | | 592,100 |
| Federal and other special projects | | 2,535,600 |
| Office of recipient rights—19.0 FTE positions | | 2,700,000 |
| GROSS APPROPRIATION | $ | 63,212,200 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | 33,062,100 |
| Special revenue funds: | | |
| Total private revenues | | 1,004,700 |
| Total other state restricted revenues | | 3,005,900 |
| State general fund/general purpose | $ | 26,139,500 |
| **Sec. 111. BEHAVIORAL HEALTH SERVICES** | | |
| Full-time equated classified positions ... 9.5 | | |
| Medicaid mental health services | $ | 2,336,960,100 |
| Community mental health non-Medicaid services | | 120,050,400 |
| Medicaid substance use disorder services | | 53,392,400 |
| Civil service charges | | 1,499,300 |
| Federal mental health block grant—2.5 FTE positions | | 15,454,600 |
| State disability assistance program substance use disorder services | | 2,018,800 |
| Community substance use disorder prevention, education, and treatment | | 73,811,800 |
| Children's waiver home care program | | 20,241,100 |
| Nursing home PAS/ARR-OBRA—7.0 FTE positions | | 12,272,000 |
| Children with serious emotional disturbance waiver | | 10,000,000 |
| Health homes | | 3,369,000 |
| Healthy Michigan plan - behavioral health | | 247,822,900 |
| Autism services | | 61,168,400 |
| University autism programs | | 1,000,000 |
| GROSS APPROPRIATION | $ | 2,959,060,800 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | 1,953,136,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Special revenue funds: | | |
| Total local revenues | $ | 25,475,800 |
| Total other state restricted revenues | | 22,512,700 |
| State general fund/general purpose | $ | 957,936,300 |
| **Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES** | | |
| Total average population 770.0 | | |
| Full-time equated classified positions 2,220.9 | | |
| Caro Regional Mental Health Center - psychiatric hospital - adult—461.3 FTE positions | $ | 57,270,900 |
| Average population 145.0 | | |
| Kalamazoo Psychiatric Hospital - adult—466.1 FTE positions | | 65,674,600 |
| Average population 170.0 | | |
| Walter P. Reuther Psychiatric Hospital - adult—420.8 FTE positions | | 56,872,000 |
| Average population 160.0 | | |
| Hawthorn Center - psychiatric hospital - children and adolescents—265.4 FTE positions | | 29,142,500 |
| Average population 55.0 | | |
| Center for forensic psychiatry—607.3 FTE positions | | 81,702,000 |
| Average population 240.0 | | |
| Revenue recapture | | 750,000 |
| IDEA, federal special education | | 120,000 |
| Special maintenance | | 332,500 |
| Purchase of medical services for residents of hospitals and centers | | 445,600 |
| Gifts and bequests for patient living and treatment environment | | 1,000,000 |
| GROSS APPROPRIATION | $ | 293,310,100 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | 35,245,300 |
| Special revenue funds: | | |
| Other local revenues | | 19,886,700 |
| Total private revenues | | 1,000,000 |
| Total other state restricted revenues | | 19,238,100 |
| State general fund/general purpose | $ | 217,940,000 |
| **Sec. 113. HEALTH POLICY** | | |
| Full-time equated classified positions 32.8 | | |
| Bone marrow transplant registry | $ | 250,000 |
| Certificate of need program administration—12.3 FTE positions | | 2,803,800 |
| Health innovation grants | | 1,000,000 |
| Health policy administration—15.1 FTE positions | | 11,564,000 |
| Human trafficking intervention services | | 200,000 |
| Michigan essential health provider | | 3,591,300 |
| Minority health grants and contracts | | 612,700 |
| Nurse education and research program—3.0 FTE positions | | 780,900 |
| Primary care services—1.4 FTE positions | | 4,068,500 |
| Rural health services—1.0 FTE position | | 1,555,500 |
| GROSS APPROPRIATION | $ | 26,426,700 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| Interdepartmental grant from the department of licensing and regulatory affairs | | 780,900 |
| Interdepartmental grant from the department of treasury, Michigan state hospital finance authority | | 117,700 |
| Federal revenues: | | |
| Total other federal revenues | | 16,631,200 |
| Special revenue funds: | | |
| Total private revenues | | 865,000 |
| Total other state restricted revenues | | 2,686,100 |
| State general fund/general purpose | $ | 5,345,800 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **Sec. 114. LABORATORY SERVICES** | | |
| Full-time equated classified positions ..... 100.0 | | |
| Laboratory services—100.0 FTE positions | $ | 20,520,500 |
| GROSS APPROPRIATION | $ | 20,520,500 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| Interdepartmental grant from the department of environmental quality | | 987,600 |
| Federal revenues: | | |
| Total other federal revenues | | 2,326,300 |
| Special revenue funds: | | |
| Total other state restricted revenues | | 10,403,900 |
| State general fund/general purpose | $ | 6,802,700 |
| **Sec. 115. DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY** | | |
| Full-time equated classified positions ..... 74.9 | | |
| Epidemiology administration—43.6 FTE positions | $ | 16,044,500 |
| Healthy homes program—8.0 FTE positions | | 4,254,900 |
| Immunization program—12.8 FTE positions | | 16,872,100 |
| Newborn screening follow-up and treatment services—10.5 FTE positions | | 7,253,500 |
| GROSS APPROPRIATION | $ | 44,425,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | 28,704,900 |
| Special revenue funds: | | |
| Total private revenues | | 339,400 |
| Total other state restricted revenues | | 9,501,300 |
| State general fund/general purpose | $ | 5,879,400 |
| **Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES** | | |
| Full-time equated classified positions ..... 236.2 | | |
| AIDS prevention, testing, and care programs—47.7 FTE positions | $ | 70,605,900 |
| Cancer prevention and control program—13.0 FTE positions | | 15,051,600 |
| Chronic disease control and health promotion administration—27.4 FTE positions | | 6,044,800 |
| Dental programs—3.8 FTE positions | | 3,499,800 |
| Diabetes and kidney program—8.0 FTE positions | | 3,049,100 |
| Essential local public health services | | 40,886,100 |
| Health and wellness initiatives—11.7 FTE positions | | 8,994,100 |
| Implementation of 1993 PA 133, MCL 333.17015 | | 20,000 |
| Local health services—1.3 FTE positions | | 452,500 |
| Medicaid outreach cost reimbursement to local health departments | | 9,000,000 |
| Public health administration—7.0 FTE positions | | 1,566,800 |
| Sexually transmitted disease control program—20.0 FTE positions | | 6,279,600 |
| Smoking prevention program—12.0 FTE positions | | 2,142,100 |
| Violence prevention—2.9 FTE positions | | 2,122,500 |
| Vital records and health statistics—81.4 FTE positions | | 11,932,300 |
| GROSS APPROPRIATION | $ | 181,647,200 |
| Appropriated from: | | |
| Federal revenues: | | |
| Capped federal revenues | | 81,100 |
| Total other federal revenues | | 71,396,700 |
| Special revenue funds: | | |
| Total local revenues | | 5,150,000 |
| Total private revenues | | 39,028,400 |
| Total other state restricted revenues | | 20,164,900 |
| State general fund/general purpose | $ | 45,826,100 |
| **Sec. 117. FAMILY, MATERNAL, AND CHILD HEALTH** | | |
| Full-time equated classified positions ..... 110.8 | | |
| Childhood lead program—2.5 FTE positions | $ | 1,571,400 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Family, maternal, and child health administration—49.3 FTE positions | $ | 8,460,900 |
| Family planning local agreements | | 8,310,700 |
| Local MCH services | | 7,018,100 |
| Pregnancy prevention program | | 602,100 |
| Prenatal care outreach and service delivery support—14.0 FTE positions | | 19,322,600 |
| Special projects | | 6,289,100 |
| Sudden and unexpected infant death and suffocation program | | 321,300 |
| Women, infants, and children program administration and special projects—45.0 FTE positions | | 18,014,400 |
| Women, infants, and children program local agreements and food costs | | 256,285,000 |
| GROSS APPROPRIATION | $ | 326,195,600 |
| Appropriated from: | | |
| Federal revenues: | | |
| Social security act, temporary assistance for needy families | | 400,000 |
| Total other federal revenues | | 254,324,000 |
| Special revenue funds: | | |
| Total local revenues | | 75,000 |
| Total private revenues | | 61,702,400 |
| State general fund/general purpose | $ | 9,694,200 |
| **Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS** | | |
| Full-time equated classified positions 75.0 | | |
| Bioterrorism preparedness—52.0 FTE positions | $ | 30,207,700 |
| Emergency medical services program—23.0 FTE positions | | 6,563,600 |
| GROSS APPROPRIATION | $ | 36,771,300 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | 31,332,300 |
| Special revenue funds: | | |
| Total other state restricted revenues | | 4,004,900 |
| State general fund/general purpose | $ | 1,434,100 |
| **Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES** | | |
| Full-time equated classified positions 46.8 | | |
| Children's special health care services administration—44.0 FTE positions | $ | 5,990,100 |
| Bequests for care and services—2.8 FTE positions | | 1,534,800 |
| Outreach and advocacy | | 5,510,000 |
| Nonemergency medical transportation | | 905,900 |
| Medical care and treatment | | 245,874,100 |
| GROSS APPROPRIATION | $ | 259,814,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | 120,964,300 |
| Special revenue funds: | | |
| Total private revenues | | 1,013,200 |
| Total other state restricted revenues | | 3,383,000 |
| State general fund/general purpose | $ | 134,454,400 |
| **Sec. 120. AGING AND ADULT SERVICES AGENCY** | | |
| Full-time equated classified positions 48.0 | | |
| Aging and adult services administration—48.0 FTE positions | $ | 9,344,100 |
| Community services | | 41,663,900 |
| Nutrition services | | 39,044,000 |
| Employment assistance | | 3,500,000 |
| Respite care program | | 5,868,700 |
| Senior volunteer service programs | | 4,465,300 |
| GROSS APPROPRIATION | $ | 103,886,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Capped federal revenues | | 368,100 |
| Total other federal revenues | | 57,898,600 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Special revenue funds: | | |
| Total private revenues | $ | 520,000 |
| Michigan merit award trust fund | | 4,068,700 |
| Total other state restricted revenues | | 1,400,000 |
| State general fund/general purpose | $ | 39,630,600 |
| **Sec. 121. MEDICAL SERVICES ADMINISTRATION** | | |
| Full-time equated classified positions ... 465.5 | | |
| Medical services administration—395.5 FTE positions | $ | 83,565,600 |
| Healthy Michigan plan administration—31.0 FTE positions | | 59,302,500 |
| Electronic health record incentive program—24.0 FTE positions | | 144,297,800 |
| Technology supporting integrated service delivery—15.0 FTE positions | | 6,308,000 |
| GROSS APPROPRIATION | $ | 293,473,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| Social security act, temporary assistance for needy families | | 749,600 |
| Capped federal revenues | | 910,700 |
| Total other federal revenues | | 244,619,100 |
| Special revenue funds: | | |
| Total local revenues | | 107,300 |
| Total private revenues | | 101,300 |
| Total other state restricted revenues | | 336,300 |
| State general fund/general purpose | $ | 46,649,600 |
| **Sec. 122. MEDICAL SERVICES** | | |
| Hospital services and therapy | $ | 1,110,000,000 |
| Hospital disproportionate share payments | | 45,000,000 |
| Physician services | | 321,041,000 |
| Medicare premium payments | | 472,654,500 |
| Pharmaceutical services | | 537,467,000 |
| Home health services | | 6,235,000 |
| Hospice services | | 105,531,400 |
| Transportation | | 21,418,300 |
| Auxiliary medical services | | 6,235,700 |
| Dental services | | 247,307,000 |
| Ambulance services | | 18,376,100 |
| Long-term care services | | 1,658,317,700 |
| Integrated care organizations | | 230,633,300 |
| Medicaid home- and community-based services waiver | | 322,781,100 |
| Adult home help services | | 310,389,700 |
| Personal care services | | 11,043,700 |
| Program of all-inclusive care for the elderly | | 87,874,800 |
| Health plan services | | 4,923,494,400 |
| Federal Medicare pharmaceutical program | | 249,182,100 |
| Maternal and child health | | 20,279,500 |
| Healthy Michigan plan | | 3,271,498,000 |
| Subtotal basic medical services program | | 13,976,760,300 |
| School-based services | | 109,937,200 |
| Dental clinic program | | 2,000,000 |
| Special Medicaid reimbursement | | 368,887,600 |
| Subtotal special medical services payments | | 480,824,800 |
| GROSS APPROPRIATION | $ | 14,457,585,100 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | 10,487,392,600 |
| Special revenue funds: | | |
| Total local revenues | | 36,111,800 |
| Total private revenues | | 2,100,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Michigan merit award trust fund | $ | 19,739,200 |
| Total other state restricted revenues | | 2,074,273,400 |
| State general fund/general purpose | $ | 1,837,968,100 |
| **Sec. 123. ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Full-time equated classified positions ... 1.0 | | |
| Family preservation programs—1.0 FTE position | $ | 6,098,200 |
| Integrated service delivery | | 36,922,500 |
| Drinking water declaration of emergency | | 15,138,100 |
| MiSACWIS implementation | | 11,538,600 |
| Autism navigator | | 565,000 |
| Demonstration projects - Michigan 2-1-1 | | 300,000 |
| Mobile electronic service verification study | | 25,000 |
| GROSS APPROPRIATION | $ | 70,587,400 |
| Appropriated from: | | |
| Federal revenues: | | |
| Social security act, temporary assistance for needy families | | 9,618,200 |
| Total other federal revenues | | 41,049,600 |
| Special revenue funds: | | |
| Total other state restricted revenues | | 473,900 |
| State general fund/general purpose | $ | 19,445,700 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $6,668,715,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is $1,316,100,200.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

| | | |
|---|---|---|
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | |
| COMMUNITY SERVICES AND OUTREACH | | |
| Housing and support services | $ | 638,300 |
| Crime victim rights services grants | | 6,825,000 |
| CHILDREN'S SERVICES AGENCY - CHILD WELFARE | | |
| Child care fund | $ | 139,165,200 |
| CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE | | |
| County juvenile officers | $ | 3,525,200 |
| PUBLIC ASSISTANCE | | |
| Family independence program | $ | 8,500 |
| State disability assistance payments | | 948,400 |
| Multicultural integration funding | | 5,478,200 |
| BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS | | |
| Community residential and support services | $ | 292,100 |
| BEHAVIORAL HEALTH SERVICES | | |
| Medicaid mental health services | $ | 780,138,400 |
| Community mental health non-Medicaid services | | 120,050,400 |
| Medicaid substance use disorder services | | 18,455,200 |
| State disability assistance program substance use disorder services | | 2,018,800 |
| Community substance use disorder prevention, education, and treatment | | 13,547,400 |
| Children's waiver home care program | | 6,824,000 |
| Nursing home PAS/ARR-OBRA | | 2,727,800 |
| Children with serious emotional disturbance waiver | | 2,500,000 |
| Healthy Michigan plan – behavioral health | | 8,911,400 |
| Autism services | | 21,211,900 |
| HEALTH POLICY | | |
| Primary care services | $ | 87,700 |

| | | |
|---|---|---|
| LABORATORY SERVICES | | |
| Laboratory services | $ | 5,200 |
| DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY | | |
| Immunization program | $ | 1,042,700 |
| LOCAL HEALTH AND ADMINISTRATIVE SERVICES | | |
| AIDS prevention, testing, and care programs | $ | 929,400 |
| Cancer prevention and control program | | 102,700 |
| Chronic disease control and health promotion administration | | 7,100 |
| Essential local public health services | | 34,199,500 |
| Health and wellness initiatives | | 1,918,300 |
| Implementation of 1993 PA 133, MCL 333.17015 | | 300 |
| Sexually transmitted disease control program | | 194,300 |
| FAMILY, MATERNAL, AND CHILD HEALTH | | |
| Prenatal care outreach and service delivery support | $ | 3,469,800 |
| CHILDREN'S SPECIAL HEALTH CARE SERVICES | | |
| Outreach and advocacy | $ | 2,755,000 |
| Medical care and treatment | | 949,800 |
| AGING AND ADULT SERVICES AGENCY | | |
| Community services | $ | 19,033,500 |
| Nutrition services | | 11,087,000 |
| Respite care program | | 5,868,700 |
| Senior volunteer service programs | | 963,600 |
| MEDICAL SERVICES | | |
| Hospital services and therapy | $ | 2,449,500 |
| Physician services | | 12,504,900 |
| Transportation | | 949,800 |
| Dental services | | 1,402,400 |
| Long-term care services | | 82,912,800 |
| TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT | $ | 1,316,100,200 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "AIDS" means acquired immunodeficiency syndrome.

(b) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.

(c) "Current fiscal year" means the fiscal year ending September 30, 2017.

(d) "Department" means the department of health and human services.

(e) "Director" means the director of the department.

(f) "DSH" means disproportionate share hospital.

(g) "EPSDT" means early and periodic screening, diagnosis, and treatment.

(h) "Federal poverty level" means the poverty guidelines published annually in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902.

(i) "FTE" means full-time equated.

(j) "GME" means graduate medical education.

(k) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.

(*l*) "HEDIS" means healthcare effectiveness data and information set.

(m) "HMO" means health maintenance organization.

(n) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.

(o) "IDG" means interdepartmental grant.

(p) "MCH" means maternal and child health.

(q) "Medicaid" mean subchapter XIX of the social security act, 42 USC 1396 to 1396w-5.

(r) "Medicare" means subchapter XVIII of the social security act, 42 USC 1395 to 1395*lll*.

(s) "MiCAFE" means Michigan's coordinated access to food for the elderly.

(t) "MIChild" means the program described in section 1670.

(u) "MiSACWIS" means Michigan statewide automated child welfare information system.

(v) "PAS/ARR-OBRA" means the preadmission screening and annual resident review required under the omnibus budget reconciliation act of 1987, section 1919(e)(7) of the social security act, 42 USC 1396r.

(w) "PIHP" means an entity designated by the department as a regional entity or a specialty prepaid inpatient health plan for Medicaid mental health services, services to individuals with developmental disabilities, and substance use disorder services. Regional entities are described in section 204b of the mental health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid inpatient health plans are described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.

(x) "Previous fiscal year" means the fiscal year ending September 30, 2016.

(y) "Settlement" means the settlement agreement entered in the case of Dwayne B. v Snyder, docket no. 2:06-cv-13548 in the United States District Court for the Eastern District of Michigan.

(z) "SSI" means supplemental security income.

(aa) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of subchapter IV of the social security act, 42 USC 601 to 619.

(bb) "Title IV-B" means part B of title IV of the social security act, 42 USC 620 to 629m.

(cc) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 669b.

(dd) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 679c.

(ee) "Title X" means subchapter VIII of the public health service act, 42 USC 300 to 300a-8, which establishes grants to states for family planning services.

Sec. 205. According to section 1b of the social welfare act, 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this part as a time-limited addendum to the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $400,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393. These funds shall not be made available to increase TANF authorization.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $45,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $40,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $60,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 208. Unless otherwise specified, the departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part and part 1. This requirement shall include transmission of reports via electronic mail to the recipients identified for each reporting requirement, and it shall include placement of reports on the Internet.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

Sec. 210. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director 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. 212. (1) On or before February 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of estimated federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1.

(2) Upon the release of the next fiscal year executive budget recommendation, the department shall report to the same parties in subsection (1) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in part 1 of the next fiscal year executive budget proposal.

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds and Healthy Michigan fund revenue from part 1 shall report by April 1 of the current fiscal year to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director on the following:

(a) Detailed spending plan by appropriation line item including description of programs and a summary of organizations receiving these funds.

(b) Description of allocations or bid processes including need or demand indicators used to determine allocations.

(c) Eligibility criteria for program participation and maximum benefit levels where applicable.

(d) Outcome measures used to evaluate programs, including measures of the effectiveness of these programs in improving the health of Michigan residents.

(e) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

Sec. 214. By March 1 and August 1 of the current fiscal year, the department shall report on the number of FTEs in pay status by type of staff.

Sec. 215. If a legislative objective of this part or of a bill or amendment to a bill to amend the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the chairs of the house and senate subcommittees on the department budget, and the house and senate fiscal agencies and policy offices of that fact.

Sec. 216. (1) In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

(2) The department's ability to satisfy appropriation fund sources in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 217. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

(b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 218. The department shall include, but not be limited to, the following in its annual list of proposed basic health services as required in part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321:

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted disease control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

(f) Screening newborns for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.

(g) Health and human services annex of the Michigan emergency management plan.

(h) Prenatal care.

Sec. 219. (1) The department may contract with the Michigan Public Health Institute for the design and implementation of projects and for other public health-related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the Institute to carry out these purposes for up to a 3-year period. The department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director on or before January 1 of the current fiscal year all of the following:

(a) A detailed description of each funded project.

(b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.

(c) The expected project duration.

(d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

(2) On or before September 30 of the current fiscal year, the department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan Public Health Institute, its subcontractors, or the department with the funds appropriated in part 1 and allocated to the Michigan Public Health Institute.

Sec. 220. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

Sec. 222. (1) The department shall make the entire policy and procedures manual available and accessible to the public via the department website.

(2) The department shall report no later than April 1 of the current fiscal year on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, the senate and house fiscal agencies, and policy offices. The department shall attach each policy bulletin issued during the prior calendar year to this report.

Sec. 223. The department may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees shall be used to offset expenditures to pay for printing and mailing costs of the publications, videos and related materials, and costs of the workshops and conferences. The department shall not collect fees under this section that exceed the cost of the expenditures.

Sec. 224. The department may retain all of the state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the departmentwide administration appropriation unit.

Sec. 225. (1) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(2) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

Sec. 228. From the funds appropriated in part 1 for Healthy Michigan plan, $1,000,000.00 shall be distributed to the Medicaid health plans to inform residents about Healthy Michigan plan incentives that have been shown to improve health outcomes. The incentives shall be limited to those health outcomes measured within the Healthy Michigan plan evaluation. The department shall not use funds appropriated in part 1 to advertise enrollment in the Healthy Michigan plan.

Sec. 229. (1) The department shall extend the interagency agreement with the talent investment agency for the duration of the current fiscal year, which concerns TANF funding to provide job readiness and welfare-to-work programming. The interagency agreement shall include specific outcome and performance reporting requirements as described in this section. TANF funding provided to the talent investment agency in the current fiscal year is contingent on compliance with the data and reporting requirements described in this section. The interagency agreement must require the talent investment agency to provide all of the following items by January 1 of the current fiscal year for the previous fiscal year to the senate and house appropriations committees on the department budget:

(a) An itemized spending report on TANF funding, including all of the following:

(*i*) Direct services to recipients.

(*ii*) Administrative expenditures.

(b) The number of family independence program (FIP) recipients served through the TANF funding, including all of the following:

(*i*) The number and percentage who obtained employment through Michigan Works!

(*ii*) The number and percentage who fulfilled their TANF work requirement through other job readiness programming.

(*iii*) Average TANF spending per recipient.

(*iv*) The number and percentage of recipients who were referred to Michigan Works! but did not receive a job or job readiness placement and the reasons why.

(2) Not later than March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices an annual report on the following matters itemized by Michigan Works! agency: the number of referrals to Michigan Works! job readiness programs, the number of referrals to Michigan Works! job readiness programs who became a participant in the Michigan Works! job readiness programs, the number of participants who obtained employment, and the cost per participant case.

Sec. 230. (1) By December 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office all of the following information:

(a) The process used to define requests for proposals for each expansion of information technology projects, including timelines, project milestones, and intended outcomes.

(b) If the department decides not to contract the services out to design and implement each element of the information technology expansion, the department shall submit its own project plan, which includes, at a minimum, the requirements in subdivision (a).

(c) A recommended project management plan with milestones and time frames.

(d) The proposed benefits from implementing the information technology expansion, including customer service improvement, form reductions, potential time savings, caseload reduction, and return on investment.

(2) Once an award for an expansion of information technology is made, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a projected cost of the expansion broken down by use and type of expense.

Sec. 231. From the funds appropriated in part 1 for travel reimbursements to employees, the department shall allocate up to $100,000.00 toward reimbursing counties for the out-of-pocket travel costs of the local county department board members and county department directors to attend 1 meeting per year of the Michigan County Social Services Association.

Sec. 233. By March 31 and September 30 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and state budget office on the status of the merger, executed according to Executive Order No. 2015-4, of the department of community health and the department of human services to create the department of health and human services. The report must indicate changes from the prior report and shall include, but not be limited to, all of the following information:

(a) The impact on client service delivery or access to services, including the restructuring or consolidation of services.

(b) Any cost increases or reductions that resulted from rent or building occupancy changes.

(c) Facilities in use, including any office closures or consolidations, or new office locations, including hoteling stations.

(d) Current status of FTE positions, including the number of FTE positions that were eliminated or added due to duplication of efforts.

(e) Any other efficiencies, costs, or savings associated with the merger.

Sec. 240. The department shall notify the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices of any changes to a child welfare master contract template, including the adoption master contract template, the independent living plus master contract template, the placing agency foster care master contract template, and the residential foster care juvenile justice master contract template, not less than 30 days before the change takes effect.

Sec. 252. The appropriations in part 1 for Healthy Michigan plan - behavioral health, Healthy Michigan plan administration, and Healthy Michigan plan are contingent on the provisions of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were contained in 2013 PA 107 not being amended, repealed, or otherwise altered to eliminate the Healthy Michigan plan. If that occurs, then, upon the effective date of the amendatory act that amends, repeals, or otherwise alters those provisions, the remaining funds in the Healthy Michigan plan - behavioral health, Healthy Michigan plan administration, and Healthy Michigan plan line items shall only be used to pay previously incurred costs and any remaining appropriations shall not be allotted to support those line items.

Sec. 263. (1) Except as otherwise provided in this subsection, before submission of a waiver, a state plan amendment, or a similar proposal to the Centers for Medicare and Medicaid Services or other federal agency, the department shall provide written notification of the planned submission to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget office. This subsection does not apply to the submission of a waiver, a state plan amendment, or similar proposal that does not propose a material change or is outside of the ordinary course of waiver, state plan amendment, or similar proposed submissions.

(2) The department shall provide written biannual reports to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office summarizing the status of any new or ongoing discussions with the Centers for Medicare and Medicaid Services or the United States Department of Health and Human Services or other federal agency regarding potential or future waiver applications as well as the status of submitted waivers that have not yet received federal approval. If, at the time a biannual report is due, there are no reportable items, then no report is required to be provided.

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 265. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees chairs on the department budget, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous fiscal year and the current fiscal year.

Sec. 270. The department shall advise the legislature of the receipt of a notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses. By November 1 and

May 1 of the current fiscal year, the department shall submit a written report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office that includes, at a minimum, all of the following:

(a) The total amount recovered from the legal action.

(b) The program or service for which the money was originally expended.

(c) Details on the disposition of the funds recovered such as the appropriation or revenue account in which the money was deposited.

(d) A description of the facts involved in the legal action.

Sec. 274. (1) The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices 1 week after the day the governor submits to the legislature the budget for the ensuing fiscal year a report on spending and revenue projections for each of the capped federal funds listed below. The report shall contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections within the executive budget proposal for the fiscal year beginning October 1, 2017 for each individual line item for the department budget. The report shall also include federal funds transferred to other departments. The capped federal funds shall include, but not be limited to, all of the following:

(a) TANF.

(b) Title XX social services block grant.

(c) Title IV-B part I child welfare services block grant.

(d) Title IV-B part II promoting safe and stable families funds.

(e) Low-income home energy assistance program.

(2) The department, in collaboration with the state budget office, shall not utilize capped federal funding for economics adjustments for FTEs or other economics costs that are included as part of the budget submitted to the legislature by the governor for the ensuing fiscal year.

(3) By February 15 of the current fiscal year, the department shall prepare an annual report of its efforts to identify additional TANF maintenance of effort sources and rationale for any increases or decreases from all of the following, but not limited to:

(a) Other departments.

(b) Local units of government.

(c) Private sources.

Sec. 275. (1) As part of the year-end closing process, the department, with the approval of the state budget director, is authorized to realign sources between other federal, TANF, and capped federal financing authorizations in order to maximize federal revenues. This realignment of financing shall not produce a gross increase or decrease in the department's total individual line item authorizations, nor will it produce a net increase or decrease in total federal revenues, or a net increase in TANF authorization.

(2) Not later than November 30, the department shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices a report on the realignment of federal fund sources that took place as part of the year-end closing process for the previous fiscal year.

Sec. 276. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 279. (1) All master contracts relating to human services as funded by the appropriations in sections 103, 104, 105, 106, 107, 108, and 109 of part 1 shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided.

(2) By February 1 of the current fiscal year, the department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.

Sec. 280. On a quarterly basis, the department shall provide a report to the house and senate appropriations committees, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director that provides all of the following for each line item in part 1 containing personnel-related costs, including the specific individual amounts for salaries and wages, payroll taxes, and fringe benefits:

(a) FTE authorization.

(b) Spending authorization for personnel-related costs, by fund source, under the spending plan.

(c) Actual year-to-date expenditures for personnel-related costs, by fund source, through the end of the prior month.

(d) The projected year-end balance or shortfall for personnel-related costs, by fund source, based on actual monthly spending levels through the end of the prior month.

(e) A specific plan for addressing any projected shortfall for personnel-related costs at either the gross or fund source level.

Sec. 287. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 288. (1) Beginning October 1 of the current fiscal year, no less than 90% of a new department contract supported solely from state restricted funds or general fund/general purpose funds and designated in this part or part 1 for a specific entity for the purpose of providing services to individuals shall be expended for such services after the first year of the contract.

(2) The department may allow a contract to exceed the limitation on administrative and services costs if it can be demonstrated that an exception should be made to the provision in subsection (1).

(3) By September 30 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, house and senate fiscal agencies, and state budget office on the rationale for all exceptions made to the provision in subsection (1) and the number of contracts terminated due to violations of subsection (1).

Sec. 289. By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices an annual report on the supervisor-to-staff ratio by department divisions and subdivisions.

Sec. 290. Any public advertisement for state assistance shall also inform the public of the welfare fraud hotline operated by the department.

Sec. 291. The department shall verify, using the e-verify system, that all new department employees, and new hire employees of contractors and subcontractors paid from funds appropriated in part 1, are legally present in the United States. The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department.

Sec. 292. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 293. (1) The department shall explore a project to implement a cloud-based, interactive analytics platform for Medicaid claims to identify areas of best practice, cost-reduction and quality improvement opportunities, and comparative cost analysis among providers, hospitals, and managed care organizations. The analytics platform would include the ability to adjust for variations in patient risk and acuity differences when comparing performance across regions and hospitals. The analytics platform would provide data analysis on, but not be limited to, readmission rates, mortality, complication rates, and total episode costs across high-volume acute episodes of care, including pre- and post-discharge costs.

(2) The project would include a methodology to identify and measure savings generated by the project. The legislative intent is that an amount appropriated for the project would not exceed the anticipated savings generated by the project.

Sec. 294. From the funds appropriated in part 1 for the Michigan Medicaid information system (MMIS) line item, $20,000,000.00 in private revenue may be received from and allocated for other states interested in participating as part of the broader MMIS initiative. By March 1 of the current fiscal year, the department shall provide a report on the use of MMIS by other states for the previous fiscal year, including a list of states, type of use, and revenue and expenditures related to the agreements with the other states to use the MMIS. The report shall be provided to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office.

Sec. 295. (1) From the funds appropriated in part 1 to agencies providing physical and behavioral health services to multicultural populations, the department shall award grants in accordance with the requirements of subsection (2). The state is not liable for any spending above the contract amount.

(2) The department shall require each contractor described in subsection (1) that receives greater than $1,000,000.00 in state grant funding to comply with performance-related metrics to maintain their eligibility for funding. The organizational metrics shall include, but not be limited to, all of the following:

(a) Each contractor or subcontractor shall have accreditations that attest to their competency and effectiveness as behavioral health and social service agencies.

(b) Each contractor or subcontractor shall have a mission that is consistent with the purpose of the multicultural agency.

(c) Each contractor shall validate that any subcontractors utilized within these appropriations share the same mission as the lead agency receiving funding.

(d) Each contractor or subcontractor shall demonstrate cost-effectiveness.

(e) Each contractor or subcontractor shall ensure their ability to leverage private dollars to strengthen and maximize service provision.

(f) Each contractor or subcontractor shall provide timely and accurate reports regarding the number of clients served, units of service provision, and ability to meet their stated goals.

(3) The department shall require an annual report from the contractors described in subsection (2). The annual report, due 60 days following the end of the contract period, shall include specific information on services and programs provided, the client base to which the services and programs were provided, information on any wraparound services provided, and the expenditures for those services. The department shall provide the annual reports to the senate and house appropriations subcommittees on health and human services, the senate and house fiscal agencies, and the state budget office.

Sec. 297. Total authorized appropriations from all sources under part 1 for legacy costs for the current fiscal year are $364,972,800.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $202,368,400.00. Total agency appropriations for retiree health care legacy costs are estimated at $162,604,400.00.

Sec. 298. (1) The department shall work with a workgroup to make recommendations regarding the most effective financing model and policies for behavioral health services in order to improve the coordination of behavioral and physical health services for individuals with mental illnesses, intellectual and developmental disabilities, and substance use disorders. The workgroup shall include, but not be limited to, the Michigan Association of Community Mental Health Boards, Medicaid health plans, and advocates for consumers of behavioral health services.

(2) The workgroup shall consider the following goals in making its recommendations:

(a) Core principles of person-centered planning, self-determination, full community inclusion, access to CMHSP services, and recovery orientation.

(b) Avoiding the return to a medical and institutional model of supports and services for individuals with behavioral health and developmental disability needs.

(c) Coordination of physical health and behavioral health care and services at the point at which the consumer receives that care and those services.

(d) Ensure full access to community-based services and supports.

(e) Ensure full access to integrated behavioral and physical health services within community-based settings.

(f) Reinvesting efficiencies gained back into services.

(g) Ensure transparent public oversight, governance, and accountability.

(3) The workgroup's recommendations shall include a detailed plan for the transition to any new financing model or policies recommended by the workgroup, including a plan to ensure continuity of care for consumers of behavioral health services in order to prevent current customers of behavioral health services from experiencing a disruption of services and supports, identification of ways to enhance services and supports, and identification of any gaps in services and supports. The workgroup shall consider the use of 1 or more pilot programs in areas with an appropriate number of consumers of behavioral health services and a range of behavioral health needs as part of that transition plan.

(4) The workgroup's recommendations shall also recommend annual benchmarks to measure progress in implementation of any new financing model or policy recommendations over a 3-year period and ensure that actuarially sound per member per month payments for Medicaid behavioral health services are no less than the per member per month payments used for Medicaid behavioral health services in the fiscal year ending September 30, 2017.

(5) The department shall provide, after each workgroup meeting, a status update on the workgroup's progress and, by January 15 of the current fiscal year, a final report on the workgroup's recommendations to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(6) Except for pilot programs described in subsection (3), no funding that has been paid to the prepaid inpatient health plans in prior fiscal years from the Medicaid mental health services, Medicaid substance use disorder services, Healthy Michigan plan-behavioral health, or autism services appropriation line items shall be transferred or paid to any other entity without specific legislative authorization through enactment of a budget act containing appropriation line-item changes or authorizing boilerplate language.

Sec. 299. (1) No state department or agency shall issue a request for proposal (RFP) for a contract in excess of $5,000,000.00, unless the department or agency has first considered issuing a request for information (RFI) or a request for qualification (RFQ) relative to that contract to better enable the department or agency to learn more about the market for the products or services that are the subject of the RFP. The department or agency shall notify the department of technology, management, and budget of the evaluation process used to determine if an RFI or RFQ was not necessary prior to issuing the RFP.

(2) From funds appropriated in part 1, for all RFPs issued during the current fiscal year where an existing service received proposals by multiple vendors, the department shall notify all vendors within 30 days of the RFP decision. The notification to vendors shall include details on the RFP process, including the respective RFP scores and the respective cost for each vendor. If the highest scored RFP or lowest cost RFP does not receive the contract for an existing service offered by the department, the notification shall issue an explanation for the reasons that the highest scored RFP or lowest cost RFP did not receive the contract and detail the incremental cost target amount or service level required that was required to migrate the service to a new vendor. Additionally, the department shall include in the notification details as to why a cost or service difference is justifiable if the highest scored or lowest cost vendor does not receive the contract.

(3) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by September 30 of the current fiscal year a report that summarizes all RFPs during the current fiscal year where an existing service received proposals by multiple vendors. The report shall list all finalized RFPs where there was a divergence from awarding the contract to the lowest cost or highest scoring vendor. The report shall also include the cost or service threshold required by department policy that must be satisfied in order for an existing contract to be received by new vendor.

**DEPARTMENTWIDE ADMINISTRATION**

Sec. 307. (1) From the funds appropriated in part 1 for demonstration projects, $950,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Funds distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the funds only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall refer to the department any calls received reporting fraud, waste, or abuse of state-administered public assistance.

(4) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, including, but not limited to, call volume by health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

Sec. 310. It is the intent of the legislature that the department shall work with youth-oriented nonprofit organizations to provide mentoring programming for children of incarcerated parents and other at-risk children.

Sec. 316. From the funds appropriated in part 1 for terminal leave payouts and other employee costs, the department shall not spend in excess of its annual gross appropriation unless it identifies and requests a legislative transfer from another budgetary line item supporting administrative costs, as provided by section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

**CHILD SUPPORT ENFORCEMENT**

Sec. 401. (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.

(3) From the federal money received for child support incentive payments, $14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in 45 CFR 305.2.

(4) If the child support incentive payment to the state from the federal government is greater than $26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches $15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than $26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

Sec. 409. (1) If statewide retained child support collections exceed $38,300,000.00, 75% of the amount in excess of $38,300,000.00 is appropriated to legal support contracts. This excess appropriation may be distributed to eligible counties to supplement and not supplant county title IV-D funding.

(2) Each county whose retained child support collections in the current fiscal year exceed its fiscal year 2004-2005 retained child support collections, excluding tax offset and financial institution data match collections in both the current year and fiscal year 2004-2005, shall receive its proportional share of the 75% excess.

Sec. 410. (1) If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget

adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

(2) The department shall notify the chairs of the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies within 15 days of the authorization adjustment in subsection (1).

**COMMUNITY SERVICES AND OUTREACH**

Sec. 450. (1) From the funds appropriated in part 1 for school success partnership program, the department shall allocate $450,000.00 by December 1 of the current fiscal year to support the Northeast Michigan Community Service Agency programming, which will take place in each county in the Governor's Prosperity Region 3. The department shall require the following performance objectives be measured and reported for the duration of the state funding for the school success partnership program:

(a) Increasing school attendance and decreasing chronic absenteeism.

(b) Increasing academic performance based on grades with emphasis on math and reading.

(c) Identifying barriers to attendance and success and connecting families with resources to reduce these barriers.

(d) Increasing parent involvement with the parent's child's school and community.

(2) The Northeast Michigan Community Service Agency shall provide reports to the department on January 31 and June 30 of the current fiscal year on the number of children and families served and the services that were provided to families to meet the performance objectives identified in this section. The department shall distribute the reports within 1 week after receipt to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 452. From the funds appropriated in part 1 for justice assistance grants, the department shall continue to support forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. The funds shall be used for program coordination and training.

**CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

Sec. 501. (1) A goal is established that not more than 25% of all children in foster care at any given time during the current fiscal year will have been in foster care for 24 months or more.

(2) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report describing the steps that will be taken to achieve the specific goal established in this section and on the percentage of children who currently are in foster care and who have been in foster care a total of 24 or more months.

Sec. 502. From the funds appropriated in part 1 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. (1) In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall continue to develop actuarially sound case rates for necessary out-of-home child welfare services that achieve permanency by the department and private child placing agencies in a prospective payment system under a performance-based funding model.

(2) The department shall continue to develop a prospective rate payment system for private agencies that includes funding for adoption incentive payments. The full cost prospective rate payment system will identify and cover contractual costs paid through the case rate developed by an independent actuary.

(3) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations committees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office a report on the full cost analysis of the performance-based funding model. The report shall include background information on the project and give details about the contractual costs covered through the case rate.

(4) In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall implement a 5-year independent, third-party evaluation of the performance-based funding model. The evaluator shall be selected through a competitive process by a rating committee that includes, but is not limited to, representatives from the department and private child placing agencies.

(5) The department shall only implement the performance-based funding model into additional counties where the department, private child welfare agencies, the county, and the court operating within that county have signed a memorandum of understanding that incorporates the intentions of the concerned parties in order to implement the performance-based funding model.

(6) The department, in conjunction with members from both the house of representatives and senate, private child placing agencies, the courts, and counties shall implement the recommendations that are described in the workgroup report that was provided in section 503 of article X of 2013 PA 59 to establish a performance-based funding for public and private child welfare services providers. The department shall provide a quarterly report on the status of the performance-based contracting model to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices.

(7) From the funds appropriated in part 1 for the performance-based funding model pilot, the department shall continue to work with the West Michigan Partnership for Children Consortium on the implementation of the performance-based funding model pilot. The consortium shall accept and comprehensively assess referred youth, assign cases to members of its continuum or leverage services from other entities, and make appropriate case management decisions during the duration of a case. The consortium shall operate an integrated continuum of care structure, with services provided by both private and public agencies, based on individual case needs. The consortium shall demonstrate significant organizational capacity and competencies, including experience with managing risk-based contracts, financial strength, experienced staff and leadership, and appropriate governance structure.

Sec. 504. (1) The department may establish a master agreement with the West Michigan Partnership for Children Consortium for a performance-based child welfare contracting pilot program. The consortium shall consist of a network of affiliated child welfare service providers that will accept and comprehensively assess referred youth, assign cases to members of its continuum or leverage services from other entities, and make appropriate case management decisions during the duration of a case.

(2) The consortium shall operate an integrated continuum of care structure, with services provided by private or public agencies, based on individual case needs. The consortium shall demonstrate significant organizational capacity and competencies, including financial strength, experienced staff and leadership, and appropriate governance structure.

(3) By March 1 of the current fiscal year, the consortium shall provide to the department and the house and senate appropriations subcommittees on the department budget a report on the consortium, including, but not limited to, actual expenditures, number of children placed by agencies in the consortium, fund balance of the consortium, and the status of the consortium evaluation.

Sec. 505. By March 1 of the current fiscal year, the department and Wayne County shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office a report for youth served in the previous fiscal year and in the first quarter of the current fiscal year outlining the number of youth served within each juvenile justice system, the type of setting for each youth, performance outcomes, and financial costs or savings.

Sec. 507. The department's ability to satisfy appropriation deducts in part 1 for foster care private collections shall not be limited to collections and accruals pertaining to services provided only in the current fiscal year but may include revenues collected during the current fiscal year for services provided in prior fiscal years.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

(2) The department and the child abuse and neglect prevention board shall collaborate to ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall make available the children's trust fund contract funds to grantees within 31 days of the start date of the funded project.

Sec. 511. The department shall provide semiannual reports to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices on the number and percentage of children who received timely health examinations after entry into foster care and the number and percentage of children entering foster care who received a required mental health examination after entry into foster care.

Sec. 513. (1) The department shall not expend funds appropriated in part 1 to pay for the direct placement by the department of a child in an out-of-state facility unless all of the following conditions are met:

(a) There is no appropriate placement available in this state as determined by the department interstate compact office.

(b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement as determined by the department interstate compact office.

(c) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.

(d) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.

(e) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, reviewed licensing records and reports on the facility, and believes that the facility is an appropriate placement for the child.

(2) The department shall not expend money for a child placed in an out-of-state facility without approval of the deputy director for children's services.

(3) The department shall submit an annual report to the state court administrative office, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the number of Michigan children residing in out-of-state facilities at the time of the report, the total cost and average per diem cost of these out-of-state placements to this state, and a list of each such placement arranged by the Michigan county of residence for each child.

(4) It is the intent of the legislature that the department shall work in conjunction with the courts and the state court administrative office to identify data needed to calculate statewide recidivism rates for adjudicated youth placed in either residential secure or nonsecure facilities, defined at 6 months after a youth is released from placement.

(5) By March 1 of the current fiscal year, the department shall notify the legislature on the status of efforts to accomplish the intent of subsection (4).

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices and the state budget director, by March 1 of the current fiscal year, that shall include all of the following:

(a) Statistical information including, but not limited to, all of the following:

(*i*) The total number of reports of child abuse or child neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(*ii*) Characteristics of perpetrators of child abuse or child neglect and the child victims, such as age, relationship, race, and ethnicity and whether the perpetrator exposed the child victim to drug activity, including the manufacture of illicit drugs, that exposed the child victim to substance abuse, a drug house, or methamphetamine.

(*iii*) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

(*iv*) The number of cases that resulted in the separation of the child from the parent or guardian and the period of time of that separation, up to and including termination of parental rights.

(*v*) For the reported complaints of child abuse or child neglect by teachers, school administrators, and school counselors, the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(*vi*) For the reported complaints of child abuse or child neglect by teachers, school administrators, and school counselors, the number of cases that resulted in separation of the child from the parent or guardian and the period of time of that separation, up to and including termination of parental rights.

(b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period.

(c) Statistical information regarding families that were classified in category III, including, but not limited to, all of the following:

(*i*) The total number of cases classified in category III.

(*ii*) The number of cases in category III referred to voluntary community services and closed with no additional monitoring.

(*iii*) The number of cases in category III referred to voluntary community services and monitored for up to 90 days.

(*iv*) The number of cases in category III for which the department entered more than 1 determination that there was evidence of child abuse or child neglect.

(*v*) The number of cases in category III that the department reclassified from category III to category II.

(*vi*) The number of cases in category III that the department reclassified from category III to category I.

(*vii*) The number of cases in category III that the department reclassified from category III to category I that resulted in a removal.

(d) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. By March 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office that provides an update on the privatization of child welfare services in Kent County as described in section 515 of article X of 2013 PA 59 and includes all of the following:

(a) Costs or savings that resulted from the program.

(b) Gaps in funding.

(c) Program successes.

(d) Challenges and barriers to a successful implementation.

Sec. 519. The department shall permit any private agency that has an existing contract with this state to provide foster care services to be also eligible to provide treatment foster care services.

Sec. 522. (1) From the funds appropriated in part 1 for youth in transition, the department shall allocate $750,000.00 for college scholarships through the fostering futures scholarship program in the Michigan education trust to youths who were in foster care because of child abuse or child neglect and are attending a college located in this state. Of the funds appropriated, 100% shall be used to fund scholarships for the youths described in this section.

(2) Not later than March 1 of the current fiscal year, the department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office that includes the number of youths who received scholarships and the amount of each scholarship, and the total amount of funds spent or encumbered in the current fiscal year.

Sec. 523. (1) By February 15 of the current fiscal year, the department shall report on the families first, family reunification, and families together building solutions family preservation programs to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and

the state budget office. The report shall provide an estimate of total costs savings as a result of avoiding placement of children in foster care for families who received family preservation services and shall include information for each program on any innovations that may increase savings or reductions in administrative costs.

(2) From the funds appropriated in part 1 for youth in transition and domestic violence prevention and treatment, the department is authorized to make allocations of TANF funds only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

Sec. 524. As a condition of receiving funds appropriated in part 1 for strong families/safe children, counties must submit the service spending plan to the department by October 1 of the current fiscal year for approval. The department shall approve the service spending plan within 30 calendar days after receipt of a properly completed service spending plan.

Sec. 525. The department shall implement the same on-site evaluation processes for privately operated child welfare and juvenile justice residential facilities as is used to evaluate state-operated facilities. Penalties for noncompliance shall be the same for privately operated child welfare and juvenile justice residential facilities and state-operated facilities.

Sec. 526. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may implement the federally approved title IV-E child welfare waiver demonstration project. As required under the waiver, any savings resulting from the demonstration project must be quantified and reinvested into child welfare programming.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 4 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

Sec. 533. (1) The department shall make payments to child placing facilities for in-home and out-of-home care services and adoption services within 30 days of receiving all necessary documentation from those agencies. It is the intent of the legislature that the burden of ensuring that these payments are made in a timely manner and no payments are in arrears is upon the department.

(2) No later than March 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office that details each private child placing agency and the percentage of payments that were in excess of 30 days during the entire prior fiscal year and the first quarter of the current fiscal year.

Sec. 534. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by November 1 of the current fiscal year an implementation plan regarding the appropriation in part 1 to implement the MiSACWIS. The plan shall include, but not be limited to, efforts to bring the system in compliance with the settlement and other federal guidelines set forth by the United States Department of Health and Human Services Administration for Children and Families.

(2) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by November 1 of the current fiscal year a status report on the planning, implementation, and operation, regardless of the current operational status, regarding the appropriation in part 1 to implement the MiSACWIS. The report shall provide details on the planning, implementation, and operation of the system, including, but not limited to, all of the following:

(a) Areas where implementation went as planned.

(b) The number of known issues.

(c) The average number of help tickets submitted per day.

(d) Any additional overtime or other staffing costs to address known issues and volume of help tickets.

(e) Any contract revisions to address known issues and volume of help tickets.

(f) Other strategies undertaken to improve implementation.

(g) Progress developing cross-system trusted data exchange with MiSACWIS

(h) Progress in moving away from a statewide/tribal automated child welfare information system (SACWIS/TACWIS) to a comprehensive child welfare information system (CCWIS).

(i) Progress developing and implementing a program to monitor data quality.

(j) Progress developing and implementing custom integrated systems for private agencies and tribal governments.

Sec. 537. (1) 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.

(2) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report on the strategy described in subsection (1).

Sec. 540. If a physician or psychiatrist who is providing services to state or court wards placed in a residential facility submits a formal request to the department to change the psychotropic medication of a ward, the department shall, if the ward is a state ward, make a determination on the proposed change within 7 business days after the request or, if the ward is a temporary court ward, seek parental consent within 7 business days after the request. If parental consent is not provided within 7 business days, the department shall petition the court on the eighth business day.

Sec. 546. (1) From the funds 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.

(3) From the funds appropriated in part 1, the department shall pay providers of independent living plus services statewide per diem rates for staff-supported housing and host-home housing based on proposals submitted in response to a solicitation for pricing. The independent living plus program provides staff-supported housing and services for foster youth ages 16 through 19 who, because of their individual needs and assessments, are not initially appropriate for general independent living foster care.

(4) From the funds appropriated in part 1, the department shall pay providers of foster care services an additional $8.00 administrative rate, if section 117a of the social welfare act, 1939 PA 280, MCL 400.117a, is amended to eliminate the county match rate for the additional administrative rate provided in this subsection. Payments under this subsection shall be made, not less than, on a monthly basis.

(5) If required by the federal government to meet title IV-E requirements, providers of foster care services shall submit quarterly expenditure reports to the department to identify actual costs of providing foster care services.

(6) From the funds appropriated in part 1, the department shall provide an increase to each private provider of residential services, if section 117a of the social welfare act, 1939 PA 280, MCL 400.117a, is amended to eliminate the county match rate for the additional rate provided in this section.

Sec. 547. From the funds appropriated in part 1 for the guardianship assistance program, the department shall pay a minimum rate that is not less than the approved age-appropriate payment rates for youth placed in family foster care.

Sec. 556. No later than December 1 for the current fiscal year, the department shall provide an annual report to the subcommittees of the senate and house appropriations committees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget director that includes the following:

(a) The number of complaints filed by adoptive parents who were not notified that their adopted child had special needs.

(b) The number of cases that received redetermined adoption assistance as defined in section 115f of the social welfare act, 1939 PA 280, MCL 400.115f, the total expenditures on the program, and the number of cases in each determination of care level of payment.

Sec. 558. (1) The department shall explore ways to maximize use of training programs or courses provided through the child welfare training institute accessible online and in service areas throughout the state, provided the delivery is an appropriate option for achieving specific learning objectives. These training programs and courses shall be made available to employees of private child placing agencies and child caring institutions.

(2) The department shall conduct a workgroup consisting of members from the department, private child placing agencies, and child caring institutions, with the goal of reducing the current 4 weeks of centralized child welfare institute training class time. It is the intent of the legislature that the number of days of in-person pre-service child welfare training be reduced by 50%. Not later than November 1 of the current fiscal year, the department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the findings of the workgroup, including the timeline, feasibility, and cost for the implementation plan required to implement the child welfare training institute redesign.

(3) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the training programs or courses provided through the child welfare training institute described in subsection (1), and the annual cost for each program or course. The report shall include the following data:

(a) The number of training programs or courses that were provided for private agencies.

(b) The number of employees from private agencies who attended any training.

(c) The number of training programs or courses that were provided through an online forum.

(d) The number of training programs or courses that were provided in local service areas.

(e) For courses that are in-person or not accessible online, attendance figures for each course.

Sec. 559. (1) From the funds appropriated in part 1 for adoption support services, the department shall allocate $250,000.00 to the Adoptive Family Support Network by December 1 of the current fiscal year to operate and expand its adoptive parent mentor program to provide a listening ear, knowledgeable guidance, and community connections to adoptive parents and children who were adopted in this state or another state.

(2) The Adoptive Family Support Network shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the program described in subsection (1), including, but not limited to, the number of cases served and the number of cases in which the program prevented an out-of-home placement.

Sec. 562. The department shall provide time and travel reimbursements for foster parents who transport a foster child to parent-child visitations. As part of the foster care parent contract, the department shall provide written confirmation to foster parents that states that the foster parents have the right to request these reimbursements for all parent-child visitations. The department shall provide these reimbursements within 60 days of receiving a request for eligible reimbursements from a foster parent.

Sec. 564. (1) The department shall develop a clear policy for parent-child visitations. The local county offices, caseworkers, and supervisors shall meet a 50% success rate, after accounting for factors outside of the caseworker's control.

(2) Per the court-ordered number of required meetings between caseworkers and parent, the caseworkers shall achieve a success rate of 65%, after accounting for factors outside of the caseworker's control.

(3) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report on the following:

(a) The percentage of success rate for parent-child visitations and court-ordered required meetings between caseworkers referenced in subsections (1) and (2) for the previous year.

(b) The barriers to achieve the success rates in subsections (1) and (2) and how this information is tracked.

Sec. 567. (1) The caseworker or supervisor who is assigned to a foster care case is responsible for completing a medical passport for the cases assigned to him or her. If a child in foster care is transferred to a new placement or returned to his or her parent's or guardian's home, the medical passport and any school records in the caseworkers' or supervisors' possession must be transferred within 2 weeks from the date of placement or return to the home.

(2) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the items described in subsection (1), including the following:

(a) The percentage of medical passports that were properly filled out.

(b) From the total medical passports transferred, the percentage that transferred within 2 weeks from the date of placement or return to the home.

(c) From the total school records, the percentage that transferred within 2 weeks from the date of placement or return to the home.

(d) The implementation steps that have been taken to improve the outcomes for the measures in subdivisions (a) and (b).

Sec. 568. (1) From the funds appropriated in part 1 for adoption subsidies, the department shall pay a minimum adoption subsidy rate that is not less than 95% of the rate that was or would have been provided for the adoptee in family foster care at the time of the adoption. This rate includes the determination of care rate that was paid or would have been paid to the adoptive parent for the adoptee in a family foster care placement, and this amount shall be increased to reflect any increase in the standard age appropriate foster care rate.

(2) "Determination of care rate" as described in this section means a supplemental payment to the standard age appropriate foster care rate that may be justified when extraordinary care or expense is required. The supplemental payment is based on 1 or more of the following case situations where additional care is required of the foster care provider or adoptive parent or an additional expense exists:

(a) Physically disabled children for whom the adoptive parent must provide measurably greater supervision and care.

(b) Children with special psychological or psychiatric needs that require extra time and measurably greater amounts of care and attention by the adoptive parent.

(c) Children requiring special diets that are more expensive than a normal diet and that require extra time and effort by the adoptive parent to obtain or prepare.

(d) Children whose severe acting-out or antisocial behavior requires a measurably greater amount of care and attention of the adoptive parent.

(3) The department shall, on a separate form, allow an adoptive parent to sign a certification that he or she rejects a support subsidy.

(4) If this section conflicts with state statute enacted subsequent to this act, the state statute controls.

Sec. 569. The department shall reimburse private child placing agencies that complete adoptions at the rate according to the date on which the petition for adoption and required support documentation was accepted by the court and not according to the date the court's order placing for adoption was entered.

Sec. 574. (1) From the funds appropriated in part 1 for foster care payments, $2,500,000.00 is allocated to support performance-based 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 if completed within 180 days after a child's placement or, if a waiver was previously approved, 180 days from the application date. If the facilitated licensure, or approved waiver, is completed after 180 days, the agency shall receive up to $2,300.00. 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 funds 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.

Sec. 583. By February 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, the senate and house fiscal agencies and policy offices, and the state budget office a report that includes:

(a) The number and percentage of foster parents that dropped out of the program in the previous fiscal year and the reasons the foster parents left the program and how those figures compare to prior fiscal years.

(b) The number and percentage of foster parents successfully retained in the previous fiscal year and how those figures compare to prior fiscal years.

Sec. 585. The department shall make available at least 1 pre-service training class each month in which new caseworkers for private foster care and adoption agencies can enroll.

Sec. 588. (1) Concurrently with public release, the department shall transmit all reports from the court-appointed settlement monitor, including, but not limited to, the needs assessment and period outcome reporting, to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies and policy offices, without revision.

(2) The department shall report quarterly to the state budget office, the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on the number of children enrolled in the guardianship assistance and foster care - children with serious emotional disturbance waiver programs.

Sec. 589. (1) From the funds appropriated in part 1 for child care fund, the department shall pay 100% of the administrative rate for all new cases referred to providers of foster care services.

(2) On a monthly basis, the department shall report on the number of all foster care cases administered by the department and all foster care cases administered by private providers.

Sec. 593. The department may allow residential service providers for child abuse and child neglect cases to implement a staff ratio during working hours of 1 staff to 5 children.

**PUBLIC ASSISTANCE**

Sec. 601. Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

Sec. 602. The department shall establish a policy to conduct a full evaluation of an individual's assistance needs if the individual has applied for disability more than 1 time within a 1-year period.

Sec. 603. By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report on the steps taken to implement the action plan developed by the Medicaid claim workgroup established in section 603 of article X of 2014 PA 252, including the steps taken to implement the action plan developed by the workgroup, and the department's ongoing efforts to maximize Medicaid claims for foster children and adjudicated youths.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment that meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance use disorder alone is not defined as a basis for eligibility.

(c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance use disorder treatment center.

(d) A person receiving 30-day postresidential substance use disorder treatment.

(e) A person diagnosed as having acquired immunodeficiency syndrome.

(f) A person receiving special education services through the local intermediate school district.

(g) A caretaker of a disabled person who meets the requirements specified in subdivision (a), (b), (e), or (f).

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:

(a) Meet the same asset test as is applied for the family independence program.

(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County department offices shall require each recipient of family independence program and state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the family independence program or state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. (1) The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but may include revenues collected during the current year that are prior year related and not a part of the department's accrued entries.

(2) The department may use supplemental security income recoveries to satisfy the deduct in any line in which the revenues are appropriated, regardless of the source from which the revenue is recovered.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income if the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the current fiscal year. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

Sec. 610. (1) In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

(2) For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

(3) State emergency relief payments shall not be made to individuals who have been found guilty of fraud in regard to obtaining public assistance.

(4) State emergency relief payments shall not be made available to persons who are out-of-state residents or illegal immigrants.

(5) State emergency relief payments for rent assistance shall be distributed directly to landlords and shall not be added to Michigan bridge cards.

Sec. 611. The state supplementation level under the supplemental security income program for the living independently or living in the household of another categories shall not exceed the minimum state supplementation level as required under federal law or regulations.

Sec. 613. (1) The department shall provide reimbursements for the final disposition of indigent persons. The reimbursements shall include the following:

(a) The maximum allowable reimbursement for the final disposition is $800.00.

(b) The adult burial with services allowance is $725.00.

(c) The adult burial without services allowance is $490.00.

(d) The infant burial allowance is $170.00.

(2) It is the intent of the legislature that this charge limit reflect a total increase of $5.00 per case in payments to funeral directors for funeral goods and services over the payment rate in place for the previous fiscal year. In addition, reimbursement for a cremation permit fee of up to $75.00 and for mileage at the standard rate will also be made available for an eligible cremation. The reimbursements under this section shall take into consideration religious preferences that prohibit cremation.

Sec. 614. The department shall report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by January 15 of the current fiscal year on the number and percentage of state disability assistance recipients who were determined to be eligible for federal supplemental security income benefits in the previous fiscal year.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks, emergency shelter providers, or other human services agencies who may, as a normal part of doing business, provide food or emergency shelter.

Sec. 616. The department shall require retailers that participate in the electronic benefits transfer program to charge no more than $2.50 in fees for cash back as a condition of participation.

Sec. 617. The department shall prepare a report on the number and percentage of public assistance recipients, categorized by type of assistance received, who were no longer eligible for assistance because of their status in the law enforcement information network and provide the report by January 15 of the current fiscal year to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices.

Sec. 619. (1) Subject to subsection (2), the department shall exempt from the denial of title IV-A assistance and food assistance benefits under 21 USC 862a any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, if the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

(a) A third-party payee or vendor shall be required for any cash benefits provided.

(b) An authorized representative shall be required for food assistance receipt.

(2) Subject to federal approval, an individual is not entitled to the exemption in this section if the individual was convicted in 2 or more separate cases of a felony that included the possession, use, or distribution of a controlled substance after August 22, 1996.

Sec. 620. (1) The department shall make a determination of Medicaid eligibility not later than 90 days if disability is an eligibility factor. For all other Medicaid applicants, including patients of a nursing home, the department shall make a determination of Medicaid eligibility within 45 days of application.

(2) The department shall report on a quarterly basis to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the average Medicaid eligibility standard of promptness for each of the required standards of promptness under subsection (1) and for medical review team reviews achieved statewide and at each local office.

Sec. 625. From the funds appropriated in part 1 for SSI advocacy legal services, the department shall allocate $500,000.00 to contract with the Legal Services Association of Michigan to provide assistance to individuals who have applied for or wish to apply for SSI or other federal disability benefits. The Legal Services Association of Michigan shall provide a list of new recipients accepted to the department to verify that services have been provided to department recipients. The Legal Services Association of Michigan and the department shall work together to develop release forms to share information in appropriate cases. The Legal Services Association of Michigan shall provide quarterly reports indicating cases opened, cases closed, level of services provided on closed cases, and case outcomes on closed cases.

Sec. 630. From the funds appropriated in part 1 for family independence program, the department shall conduct a suspicion-based drug testing pilot program for the family independence program according to sections 57y and 57z of the social welfare act, 1939 PA 280, MCL 400.57y and 400.57z.

Sec. 642. The department shall allocate the full amount of funds appropriated in part 1 for homeless programs to provide services for homeless individuals and families, including, but not limited to, third-party contracts for emergency shelter services.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters and human services agencies shall collaborate with the department to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless programs, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters or human services agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements that exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the department's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 654. The department shall notify recipients of food assistance program benefits that their benefits can be spent with their bridge cards at many farmers' markets in the state. The department shall also notify recipients about the Double Up Food Bucks program that is administered by the Fair Food Network. Recipients shall receive information about the Double Up Food Bucks program, including information that when the recipient spends $20.00 at participating farmers' markets through the program, the recipient can receive an additional $20.00 to buy Michigan produce.

Sec. 655. Within 14 days after the spending plan for low-income home energy assistance program is approved by the state budget office, the department shall provide the spending plan, including itemized projected expenditures, to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 660. From the funds appropriated in part 1 for Food Bank Council of Michigan, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 669. The department shall allocate $6,270,000.00 for the annual clothing allowance. The allowance shall be granted to all eligible children in a family independence program group.

Sec. 672. (1) The department's office of inspector general shall report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by February 15 of the current fiscal year on department efforts to reduce inappropriate use of Michigan bridge cards. The department shall provide information on the number of recipients of services who used their electronic benefit transfer card inappropriately and the current status of each case, the number of recipients whose benefits were revoked, whether permanently or temporarily, as a result of inappropriate use, and the number of retailers that were fined or removed from the electronic benefit transfer program for permitting inappropriate use of the cards.

(2) As used in this section, "inappropriate use" means not used to meet a family's ongoing basic needs, including food, clothing, shelter, utilities, household goods, personal care items, and general incidentals.

Sec. 677. (1) The department shall establish a state goal for the percentage of family independence program cases involved in employment activities. The percentage established shall not be less than 50%. The goal for long-term employment shall be 15% of cases for 6 months or more.

(2) On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the number of cases referred to Partnership. Accountability. Training. Hope. (PATH), the current percentage of family independence program cases involved in PATH employment activities, an estimate of the current percentage of family independence program cases that meet federal work participation requirements on the whole, and an estimate of the current percentage of the family independence program cases that meet federal work participation requirements for those cases referred to PATH.

(3) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a quarterly report that includes all of the following:

(a) The number and percentage of nonexempt family independence program recipients who are employed.

(b) The average and range of wages of employed family independence program recipients.

(c) The number and percentage of employed family independence program recipients who remain employed for 6 months or more.

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 $200,000.00 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.

Sec. 687. (1) The department shall, on a quarterly basis by February 1, May 1, August 1, and November 1, compile and make available on its website all of the following information about the family independence program, state disability assistance, the food assistance program, Medicaid, and state emergency relief:

(a) The number of applications received.

(b) The number of applications approved.

(c) The number of applications denied.

(d) The number of applications pending and neither approved nor denied.

(e) The number of cases opened.

(f) The number of cases closed.

(g) The number of cases at the beginning of the quarter and the number of cases at the end of the quarter.

(2) The information provided under subsection (1) shall be compiled and made available for the state as a whole and for each county and reported separately for each program listed in subsection (1).

(3) The department shall, on a quarterly basis by February 1, May 1, August 1, and November 1, compile and make available on its website the family independence program information listed as follows:

(a) The number of new applicants who successfully met the requirements of the 21-day assessment period for PATH.

(b) The number of new applicants who did not meet the requirements of the 21-day assessment period for PATH.

(c) The number of cases sanctioned because of the school truancy policy.

(d) The number of cases closed because of the 48-month and 60-month lifetime limits.

(e) The number of first-, second-, and third-time sanctions.

(f) The number of children ages 0-5 living in FIP-sanctioned households.

(4) The department shall notify the state budget office, the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices when the reports required in this section are made available on the department's website.

**CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE SERVICES**

Sec. 701. Unless required from changes to federal or state law or at the request of a provider, the department shall not alter the terms of any signed contract with a private residential facility serving children under state or court supervision without written consent from a representative of the private residential facility.

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 funds 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. Upon submission of the county service spending plan, the department shall approve within 30 calendar days after receipt of a properly completed service plan that complies with the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The department shall notify and submit county service spending plan revisions to any county whose county service spending plan is not accepted upon initial submission. The department shall not request any additional revisions to a county service spending plan outside of the requested revision notification submitted to the county by the department. The department shall notify a county within 30 days after approval that its service plan was approved.

(2) The department shall submit a report 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 February 15 of the current fiscal year on the number of counties that fail to submit a service spending plan by October 1 and the number of service spending plans not approved by December 15. The report shall include the number of county service spending plans that were not approved as first submitted by the counties, as well as the number of plans that were not approved by the department after being resubmitted by the county with the first revisions that were requested by the department.

Sec. 709. (1) The department's master contract for juvenile justice residential foster care services shall be amended to prohibit contractors from denying a referral for placement of a youth, or terminating a youth's placement, if the youth's assessed treatment needs are in alignment with the facility's residential program type, as identified by the court or the department. In addition, the master contract shall require that youth placed in juvenile justice residential foster care facilities must have regularly scheduled treatment sessions with a licensed psychologist or psychiatrist, or both, and access to the licensed psychologist or psychiatrist as needed.

(2) The rates established for private residential juvenile justice facilities that were in effect on October 1, 2015 remain in effect for the current fiscal year.

(3) The department shall submit a report by December 31 of the current fiscal year to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on the current placement and status of the youth transferred from the W.J. Maxey Training School during the previous and current fiscal year as a result of the closure.

Sec. 721. If the demand for placements at state-operated juvenile justice residential facilities exceeds capacity, the department shall not increase the available occupancy or services at the facilities, and shall post a request for proposals for a contract with not less than 1 private provider of residential services for juvenile justice youth to be a residential facility of last resort.

**FIELD OPERATIONS AND SUPPORT SERVICES**

Sec. 801. (1) Funds appropriated in part 1 for independent living shall be used to support the general operations of centers for independent living in delivering mandated independent living services in compliance with federal rules and regulations for the centers, by existing centers for independent living to serve underserved areas, and for projects to build the capacity of centers for independent living to deliver independent living services. Applications for the funds shall be reviewed in accordance with criteria and procedures established by the department. The funds appropriated in part 1 may be used to leverage federal vocational rehabilitation innovation and expansion funds consistent with 34 CFR 361.35 up to $5,543,000.00, if available. If the possibility of matching federal funds exists, the centers for independent living network will negotiate a mutually beneficial contractual arrangement with Michigan rehabilitation services. Funds shall be used in a manner consistent with the state plan for independent living. Services provided should assist people with disabilities to move toward self-sufficiency, including support for accessing transportation and health care, obtaining employment, community living, nursing home transition, information and referral services, education, youth transition services, veterans, and stigma reduction activities and community education. This includes the independent living guide project that specifically focuses on economic self-sufficiency.

(2) The Michigan centers for independent living shall provide a report by March 1 of the current fiscal year to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on direct customer and system outcomes and performance measures.

Sec. 802. The Michigan rehabilitation services shall work collaboratively with the bureau of services for blind persons, service organizations, and government entities to identify qualified match dollars to maximize use of available federal vocational rehabilitation funds.

Sec. 803. The department shall provide an annual report by February 1 to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and house and senate policy offices on efforts taken to improve the Michigan rehabilitation services. The report shall include all of the following items:

(a) Reductions and changes in administration costs and staffing.

(b) Service delivery plans and implementation steps achieved.

(c) Reorganization plans and implementation steps achieved.

(d) Plans to integrate Michigan rehabilitative services programs into other services provided by the department.

(e) Quarterly expenditures by major spending category.

(f) Employment and job retention rates from both Michigan rehabilitation services and its nonprofit partners.

(g) Success rate of each district in achieving the program goals.

Sec. 804. From the funds appropriated in part 1 for Michigan rehabilitation services, the department shall allocate $50,000.00 along with available federal match to support the provision of vocational rehabilitation services to eligible agricultural workers with disabilities. Authorized services shall assist agricultural workers with disabilities in acquiring or maintaining quality employment and independence.

Sec. 805. It is the intent of the legislature that Michigan rehabilitation services shall not implement an order of selection for vocational and rehabilitative services. If the department is at risk of entering into an order of selection for services, the department shall notify the chairs of the senate and house subcommittees on the department budget and the senate and house fiscal agencies and policy offices within 2 weeks of receiving notification.

Sec. 806. From the funds appropriated in part 1 for Michigan rehabilitation services, the department shall allocate $6,100,300.00, including federal matching funds, to service authorizations with community-based rehabilitation organizations for job development and other community employment-related support services.

Sec. 807. From the funds appropriated in part 1 for Elder Law of Michigan MiCAFE contract, the department shall allocate not less than $350,000.00 to the Elder Law of Michigan MiCAFE to assist this state's elderly population in participating in the food assistance program. Of the $350,000.00 allocated under this section, the department shall use $175,000.00, which are general fund/general purpose funds, as state matching funds for not less than $175,000.00 in United States Department of Agriculture funding to provide outreach program activities, such as eligibility screening and information services, as part of a statewide food assistance hotline.

Sec. 825. From the funds appropriated in part 1, the department shall provide individuals not more than $500.00 for vehicle repairs, including any repairs done in the previous 12 months. However, the department may in its discretion pay for repairs up to $900.00. Payments under this section shall include the combined total of payments made by the department and work participation program.

Sec. 850. (1) The department shall maintain out-stationed eligibility specialists in community-based organizations, community mental health agencies, nursing homes, adult placement and independent living settings, federally qualified health centers, and hospitals unless a community-based organization, community mental health agency, nursing home, adult placement and independent living setting, federally qualified health centers, or hospital requests that the program be discontinued at its facility.

(2) From the funds appropriated in part 1 for donated funds positions, the department shall enter into a contract with any agency that requests a donated funds position and is able and eligible under federal law to provide the required matching funds for federal funding, as determined by federal statute and regulations. If the department denies a request for donated funds positions, the department shall provide to the agency that made the request the federal statute or regulation that supports the denial. If there is no federal statute or regulation that supports the denial, the department shall grant the request for the donated funds position.

(3) A contract for a donated funds position must include, but not be limited to, the following performance metrics:

(a) Meeting a standard of promptness for processing applications for Medicaid and other public assistance programs under state law.

(b) Meeting required standards for error rates in determining programmatic eligibility as determined by the department.

(4) The department shall only fill additional donated funds positions after a new contract has been signed. That position shall also be abolished when the contract expires or is terminated.

(5) The department shall classify as limited-term FTEs any new employees who are hired to fulfill the donated funds position contracts or are hired to fill any vacancies from employees who transferred to a donated funds position.

(6) By March 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office detailing information on the donated funds positions, including the total number of occupied positions, the total private contribution of the positions, and the total cost to the state for any nonsalary expenditure for the donated funds position employees.

**BEHAVIORAL HEALTH SERVICES**

Sec. 901. Funds appropriated in part 1 are intended to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs or PIHPs in accordance with the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, the Medicaid provider manual, federal Medicaid waivers, and all other applicable federal and state laws.

Sec. 902. (1) From funds appropriated in part 1, final authorizations to CMHSPs or PIHPs shall be made upon the execution of contracts between the department and CMHSPs or PIHPs. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP or PIHP that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or PIHPs entered into under this subsection for the current fiscal year does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

(2) The department shall immediately report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget director if either of the following occurs:

(a) Any new contracts the department has entered into with CMHSPs or PIHPs that would affect rates or expenditures.

(b) Any amendments to contracts the department has entered into with CMHSPs or PIHPs that would affect rates or expenditures.

(3) The report required by subsection (2) shall include information about the changes and their effects on rates and expenditures.

Sec. 904. (1) Not later than May 31 of the current fiscal year, the department shall provide a report on the CMHSPs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders to the members of the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director that includes the information required by this section.

(2) The report shall contain information for each CMHSP, PIHP, regional entity designated by the department as a PIHP, and managing entity for substance use disorders and a statewide summary, each of which shall include at least the following information:

(a) A demographic description of service recipients that, minimally, shall include reimbursement eligibility, client population, age, ethnicity, housing arrangements, and diagnosis.

(b) Per capita expenditures in total and by client population group and cultural and ethnic groups of the services area, including the deaf and hard of hearing population.

(c) Financial information that, minimally, includes a description of funding authorized; expenditures by diagnosis group, service category, and reimbursement eligibility; and cost information by Medicaid, Healthy Michigan plan, state appropriated non-Medicaid mental health services, local funding, and other fund sources, including administration and funds specified for all outside contracts for services and products. Financial information must include the amount of funding, from each fund source, used to cover clinical services and supports. Service category includes all department-approved services.

(d) Data describing service outcomes that include, but are not limited to, an evaluation of consumer satisfaction, consumer choice, and quality of life concerns including, but not limited to, housing and employment.

(e) Information about access to CMHSPs that includes, but is not limited to, the following:

(*i*) The number of people receiving requested services.

(*ii*) The number of people who requested services but did not receive services.

(f) The number of second opinions requested under the code and the determination of any appeals.

(g) Lapses and carryforwards during the immediately preceding fiscal year for CMHSPs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders.

(h) Performance indicator information required to be submitted to the department in the contracts with CMHSPs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders.

(i) Administrative expenditures of each CMHSP, PIHP, regional entity designated by the department as a PIHP, and managing entity for substance use disorders that includes a breakout of the salary, benefits, and pension of each executive level staff and shall include the director, chief executive, and chief operating officers and other members identified as executive staff.

(3) The department shall include data reporting requirements listed in subsection (2) in the annual contract with each individual CMHSP, PIHP, regional entity designated by the department as a PIHP, and managing entity for substance use disorders.

(4) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders.

Sec. 906. (1) The funds appropriated in part 1 for the state disability assistance substance use disorder services program shall be used to support per diem room and board payments in substance use disorder residential facilities. Eligibility of clients for the state disability assistance substance use disorder services program shall include needy persons 18 years of age or older, or emancipated minors, who reside in a substance use disorder treatment center.

(2) The department shall reimburse all licensed substance use disorder programs eligible to participate in the program at a rate equivalent to that paid by the department to adult foster care providers. Programs accredited by department-approved accrediting organizations shall be reimbursed at the personal care rate, while all other eligible programs shall be reimbursed at the domiciliary care rate.

Sec. 907. (1) The amount appropriated in part 1 for substance use disorder prevention, education, and treatment grants shall be expended to coordinate care and services provided to individuals with severe and persistent mental illness and substance use disorder diagnoses.

(2) The department shall approve managing entity fee schedules for providing substance use disorder services and charge participants in accordance with their ability to pay.

(3) The managing entity shall continue current efforts to collaborate on the delivery of services to those clients with mental illness and substance use disorder diagnoses with the goal of providing services in an administratively efficient manner.

Sec. 908. (1) By April 1 of the current fiscal year, the department shall report the following data from the prior fiscal year on substance use disorder prevention, education, and treatment programs to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office:

(a) Expenditures stratified by department-designated community mental health entity, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type. Additionally, data on administrative expenditures by department-designated community mental health entity shall be reported.

(b) Expenditures per state client, with data on the distribution of expenditures reported using a histogram approach.

(c) Number of services provided by central diagnosis and referral agency, by subcontractor, and by service type. Additionally, data on length of stay, referral source, and participation in other state programs.

(d) Collections from other first- or third-party payers, private donations, or other state or local programs, by department-designated community mental health entity, by subcontractor, by population served, and by service type.

(2) The department shall take all reasonable actions to ensure that the required data reported are complete and consistent among all department-designated community mental health entities.

Sec. 910. The department shall ensure that substance use disorder treatment is provided to applicants and recipients of public assistance through the department who are required to obtain substance use disorder treatment as a condition of eligibility for public assistance.

Sec. 911. (1) The department shall ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to encourage diversion of individuals with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

(2) Each CMHSP or PIHP shall have jail diversion services and shall work toward establishing working relationships with representative staff of local law enforcement agencies, including county prosecutors' offices, county sheriffs' offices, county jails, municipal police agencies, municipal detention facilities, and the courts. Written interagency agreements describing what services each participating agency is prepared to commit to the local jail diversion effort and the

procedures to be used by local law enforcement agencies to access mental health jail diversion services are strongly encouraged.

Sec. 912. The department shall contract directly with the Salvation Army harbor light program to provide non-Medicaid substance use disorder services if the local coordinating agency or the department confirms the Salvation Army harbor light program meets the standard of care. The standard of care shall include, but is not limited to, utilization of the medication assisted treatment option.

Sec. 918. On or before the twenty-fifth of each month, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to PIHPs to support the Medicaid managed mental health care program in the preceding month. The information shall include the total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, and number of cases in each eligibility group for each PIHP, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Sec. 920. (1) As part of the Medicaid rate-setting process for behavioral health services, the department shall work with PIHP network providers and actuaries to include any state and federal wage and compensation increases that directly impact staff who provide Medicaid-funded community living supports, personal care services, respite services, skill-building services, and other similar supports and services as part of the Medicaid rate.

(2) It is the intent of the legislature that any increased Medicaid rate related to state minimum wage increases shall also be distributed to direct care employees.

Sec. 928. (1) Each PIHP shall provide, from internal resources, local funds to be used as a part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a PIHP.

(2) It is the intent of the legislature that any funds that lapse from the funds appropriated in part 1 for Medicaid mental health services shall be redistributed to individual CMHSPs as a reimbursement of local funds on a proportional basis to those CMHSPs whose local funds were used as state Medicaid match. By April 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the lapse by PIHP from the previous fiscal year and the projected lapse by PIHP in the current fiscal year.

Sec. 935. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1 of the current fiscal year.

Sec. 940. (1) According to section 236 of the mental health code, 1974 PA 258, MCL 330.1236, the department shall do both of the following:

(a) Review expenditures for each CMHSP to identify CMHSPs with projected allocation surpluses and to identify CMHSPs with projected allocation shortfalls. The department shall encourage the board of a CMHSP with a projected allocation surplus to concur with the department's recommendation to reallocate those funds to CMHSPs with projected allocation shortfalls.

(b) Withdraw funds that have been allocated to a CMHSP if those funds were expended in a manner not provided for in the approved contract and operating budget, including expending funds on services and programs provided to individuals residing outside of the CMHSP's geographic region.

(2) A CMHSP that has its funding allocation transferred out or withdrawn during the current fiscal year as described in subsection (1) is not eligible for any additional funding reallocations during the remainder of the current fiscal year.

(3) The department shall notify the chairs of the appropriation subcommittees on the department budget when a request is made and when the department grants approval for reallocation or withdraw as described in subsection (1). By September 30 of the current fiscal year, the department shall provide a report on the amount of funding reallocated or withdrawn to the senate and house appropriation subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 941. From the funds appropriated in part 1 for community mental health non-Medicaid services, no less than $3,000,000.00 shall be allocated to CMHSPs to support costs related to Medicaid spenddown beneficiaries having to satisfy monthly deductible requirements.

Sec. 942. A CMHSP shall provide at least 30 days' notice before reducing, terminating, or suspending services provided by a CMHSP to CMHSP clients, with the exception of services authorized by a physician that no longer meet established criteria for medical necessity.

Sec. 958. Medicaid services shall include treatment for autism spectrum disorders as defined in the federally approved Medicaid state plan. These services may be coordinated with the Medicaid health plans and the Michigan Association of Health Plans.

Sec. 960. (1) From the funds appropriated in part 1 for university autism programs, the department shall continue a grant process for autism programs. These grants are intended to increase the number of applied behavioral analysts,

increase the number of autism diagnostic services provided, or increase employment of individuals who are diagnosed with autism spectrum disorder.

(2) As a condition of accepting the grants described in subsection (1), each university shall track and report back to the department where the individuals who have completed the applied behavioral analysis training are initially employed and the location of the initial employment.

(3) Outcomes and performance measures related to this initiative include, but are not limited to, the following:

(a) An increase in applied behavioral analysts certified from university autism programs.

(b) The number of autism diagnostic services provided.

(c) The employment rate of employment program participants.

(d) The employment rate of applied behavioral analysts trained through the university autism programs.

Sec. 994. (1) Contingent upon federal approval, if a CMHSP, PIHP, or subcontracting provider agency is reviewed and accredited by a national accrediting entity for behavioral health care services, the department, by April 1 of the current fiscal year, shall consider that CMHSP, PIHP, or subcontracting provider agency in compliance with state program review and audit requirements that are addressed and reviewed by that national accrediting entity.

(2) By June 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office all of the following:

(a) A list of each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state program review and audit requirements under subsection (1).

(b) For each CMHSP, PIHP, or subcontracting provider agency described in subdivision (a), all of the following:

(*i*) The state program review and audit requirements that the CMHSP, PIHP, or subcontracting provider agency is considered in compliance with.

(*ii*) The national accrediting entity that reviewed and accredited the CMHSP, PIHP, or subcontracting provider agency.

(3) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety.

(4) As used in this section, "national accrediting entity" means the Joint Commission, formerly known as the Joint Commission on Accreditation of Healthcare Organizations, the Commission on Accreditation of Rehabilitation Facilities, the Council on Accreditation, the URAC, formerly known as the Utilization Review Accreditation Commission, the National Committee for Quality Assurance, or other appropriate entity, as approved by the department.

Sec. 995. From the funds appropriated in part 1 for behavioral health program administration, $4,350,000.00 is intended to address the recommendations of the mental health diversion council.

Sec. 997. The population data used in determining the distribution of substance use disorder block grant funds shall be from the most recent federal census.

Sec. 998. For distribution of state general funds to CMHSPs, if the department decides to use census data, the department shall use the most recent federal decennial census data available.

Sec. 1003. The department shall notify the Michigan Association of Community Mental Health Boards when developing policies and procedures that will impact PIHPs or CMHSPs.

Sec. 1004. The department shall provide the senate and house appropriations subcommittee on the department budget, the senate and house fiscal agencies, and the state budget office any rebased formula changes to either Medicaid behavioral health services or non-Medicaid mental health services 90 days before implementation. The notification shall include a table showing the changes in funding allocation by PIHP for Medicaid behavioral health services or by CMHSP for non-Medicaid mental health services.

Sec. 1005. For the purposes of special projects involving high-need children or adults, including the not guilty by reason of insanity population, the department may contract directly with providers of services to these identified populations.

Sec. 1007. (1) From the funds appropriated in part 1 for behavioral health program administration, the department shall maintain a psychiatric residential treatment facility and children's behavioral action team. These services will augment the continuum of behavioral health services for high-need youth and provide additional continuity of care and transition into supportive community-based services.

(2) Outcomes and performance measures for this initiative include, but are not limited to, the following:

(a) The rate of rehospitalization for youth served through the program at 30 and 180 days.

(b) Measured change in the Child and Adolescent Functional Assessment Scale for children served through the program.

Sec. 1008. The PIHP shall do all of the following:

(a) Work to reduce administration costs by ensuring that PIHP responsible functions are efficient to allow optimal transition of dollars to direct services. This process must include limiting duplicate layers of administration and minimizing PIHP-delegated services that may result in higher costs or inconsistent service delivery, or both.

(b) Take an active role in managing mental health care by ensuring consistent and high-quality service delivery throughout its network and promote a conflict-free care management environment.

(c) Ensure that direct service rate variances are related to the level of need or other quantifiable measures to ensure that the most money possible reaches direct services.

(d) Whenever possible, promote fair and adequate direct care reimbursement, including fair wages for direct service workers.

Sec. 1009. (1) The department shall work with PIHP network providers to analyze the workforce challenges of recruitment and retention of staff who provide Medicaid-funded community living supports, personal care services, respite services, skill building services, and other similar supports and services. The department workgroup must consider ways to attract and retain staff to provide Medicaid-funded supports and services.

(2) The department workgroup must include PIHP providers, CMHSPs, individuals with disabilities, and staff.

(3) By March 1 of the current fiscal year, the department shall provide a status report on the workgroup's suggestions to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget director, making note in the report when the participants outlined in subsection (2) reached consensus on the workgroup's suggestions and when the participants outlined in subsection (2) had points of difference on the workgroup's suggestions.

Sec. 1010. From the funds appropriated in part 1 for behavioral health program administration, up to $2,000,000.00 shall be allocated to address the implementation of court-ordered assisted outpatient treatment as provided under chapter 4 of the mental health code, 1974 PA 258, MCL 330.1400 to 330.1491.

Sec. 1012. By September 30 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office addressing the challenge of meeting monthly deductible requirements in the Medicaid program and establish policy recommendations. The report shall include, but not be limited to, all of the following items:

(a) The average number of individuals who do not meet their monthly Medicaid deductibles in this state each year.

(b) How the reduction in general fund investment to CMHSPs for non-Medicaid services has played a role in the inability of many individuals to meet their spenddown.

(c) What currently counts as the protected income level and how that compares to other states.

(d) An action plan for implementation of any proposed changes.

(e) An estimate of the costs that may be incurred from adoption of recommendations included in the report.

**STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

Sec. 1051. The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. A portion of revenues collected through project efforts may be used for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 1052. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

Sec. 1055. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or PIHPs have programs and services in place for those individuals currently in those facilities and a plan for service provision for those individuals who would have been admitted to those facilities.

(2) All closures or consolidations are dependent upon adequate department-approved CMHSP and PIHP plans that include a discharge and aftercare plan for each individual currently in the facility. A discharge and aftercare plan shall address the individual's housing needs. A homeless shelter or similar temporary shelter arrangements are inadequate to meet the individual's housing needs.

(3) Four months after the certification of closure required in section 19(6) of the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house and senate appropriations subcommittees on the department budget and the state budget director.

(4) Upon the closure of state-run operations and after transitional costs have been paid, the remaining balances of funds appropriated for that operation shall be transferred to CMHSPs or PIHPs responsible for providing services for individuals previously served by the operations.

Sec. 1056. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid and local county CMHSP payers, to cover the cost of placement in state hospitals and centers. The department is authorized to adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The revenue carried forward shall be used as a first source of funds in the subsequent year.

Sec. 1057. The department shall work with the department of technology, management, and budget to evaluate the condition of the Hawthorn Center and the Caro Center, the cost-effectiveness of improvements and investments and make recommendations to improve the quality of the facilities needed by the patients.

Sec. 1058. Effective October 1 of the current fiscal year, the department, in consultation with the department of technology, management, and budget, may maintain a bid process to identify 1 or more private contractors to provide food service and custodial services for the administrative areas at any state hospital identified by the department as capable of generating savings through the outsourcing of such services.

Sec. 1059. (1) From the increased funds appropriated in part 1 in center for forensic psychiatry, the department shall open an additional wing at the center for forensic psychiatry to provide additional capacity for specialized services to criminal defendants who are adjudicated as incompetent to stand trial or not guilty by reason of insanity.

(2) The department shall identify specific outcomes and performance measures for this initiative, including, but not limited, to the following:

(a) The average wait time for persons ruled incompetent to stand trial before admission to the center for forensic psychiatry.

(b) The average wait time for persons ruled incompetent to stand trial before admission to other state-operated psychiatric facilities.

(c) The number of persons waiting to receive services at the center for forensic psychiatry.

(d) The number of persons waiting to receive services at other state-operated hospitals and centers.

**HEALTH POLICY**

Sec. 1140. From the funds appropriated in part 1 for primary care services, $250,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation, "free health clinics" means nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Sec. 1142. The department shall continue to seek means to increase retention of Michigan medical school students for completion of their primary care residency requirements within this state and ultimately, for some period of time, to remain in this state and serve as primary care physicians. The department is encouraged to work with Michigan institutions of higher education.

Sec. 1143. The department may award health innovation grants to address emerging issues and encourage cutting edge advances in health care including strategic partners in both the public and private sectors.

Sec. 1144. (1) From the funds appropriated in part 1 for health policy administration, the department shall allocate the federal state innovation model grant funding that supports implementation of the health delivery system innovations detailed in this state's "Reinventing Michigan's Health Care System: Blueprint for Health Innovation" document. This initiative will test new payment methodologies, support improved population health outcomes, and support improved infrastructure for technology and data sharing and reporting. The funds will be used to provide financial support directly to regions participating in the model test and to support statewide stakeholder guidance and technical support.

(2) Outcomes and performance measures for the initiative under subsection (1) include, but are not limited to, the following:

(a) Increasing the number of physician practices fulfilling patient-centered medical home functions.

(b) Reducing inappropriate health utilization, specifically reducing preventable emergency department visits, reducing the proportion of hospitalizations for ambulatory sensitive conditions, and reducing this state's 30-day hospital readmission rate.

(3) By March 1 and September 1 of the current fiscal year, the department shall submit a written report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on the status of the program and progress made since the prior report.

(4) From the funds appropriated in part 1 for health policy administration, any data aggregator created as part of the allocation of the federal state innovation model grant funds must meet the following standards:

(a) The primary purpose of the data aggregator must be to increase the quality of health care delivered in this state, while reducing costs.

(b) The data aggregator must be governed by a nonprofit entity.

(c) All decisions regarding the establishment, administration, and modification of the database must be made by an advisory board. The membership of the advisory board must include the director of the department or a designee of the director and representatives of health carriers, consumers, and purchasers.

(d) The data aggregator must receive health care claims information from, without limitation, commercial health carriers, nonprofit health care corporations, health maintenance organizations, and third party administrators that process claims under a service contract.

(e) The data aggregator must use existing data sources and technological infrastructure, to the extent possible.

Sec. 1145. The department will take steps necessary to work with Indian Health Service, Tribal or Urban Indian Health Program facilities that provide services under a contract with a Medicaid managed care entity to ensure that those facilities receive the maximum amount allowable under federal law for Medicaid services.

Sec. 1146. From the funds appropriated in part 1 for bone marrow transplant registry, $250,000.00 shall be allocated to Michigan Blood, the partner of the match registry of the national marrow donor program. The funds shall be used to offset ongoing tissue typing expenses associated with donor recruitment and collection services and to expand those services to better serve the citizens of this state.

Sec. 1150. From the funds appropriated in part 1 for health policy administration, the department shall dedicate 1.0 FTE to coordinate with the department of licensing and regulatory affairs, the department of the attorney general, all appropriate law enforcement agencies, and the Medicaid health plans to reduce fraud related to opioid prescribing within

Medicaid, and to address other appropriate recommendations of the prescription drug and opioid abuse task force outlined in its report of October 2015. By October 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on steps the department has taken to coordinate with the entities listed in this section and other stakeholders to reduce fraud related to opioid prescribing, and to address other appropriate recommendations of the task force.

Sec. 1151. From the funds appropriated in part 1 for health policy administration, the department shall dedicate 1.0 FTE to coordinate with the department of licensing and regulatory affairs, the department of the attorney general, all appropriate law enforcement agencies, and the Medicaid health plans to work with local substance use disorder agencies and addiction treatment providers to help inform Medicaid beneficiaries of all medically appropriate treatment options for opioid addiction when their treating physician stops prescribing prescription opioid medication for pain, and to address other appropriate recommendations of the prescription drug and opioid abuse task force outlined in its report of October 2015. By October 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on how the department is working with local substance use disorder agencies and addiction treatment providers to ensure that Medicaid beneficiaries are informed of all available and medically appropriate treatment options for opioid addiction when their treating physician stops prescribing prescription opioid medication for pain, and to address other appropriate recommendations of the task force. The report shall include any potential barriers to medication-assisted treatment, as recommended by the Michigan medication-assisted treatment guidelines, for Medicaid beneficiaries in both office-based opioid treatment and opioid treatment program facility settings.

**DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY**

Sec. 1180. (1) From the funds appropriated in part 1 for the healthy homes program, no less than $1,750,000.00 shall be allocated for lead abatement of homes.

(2) By January 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on the expenditures and activities undertaken by the lead abatement program in the previous fiscal year from the funds appropriated in part 1 for the healthy homes program. The report shall include, but is not limited to, a funding allocation schedule, expenditures by category of expenditure and by subcontractor, revenues received, description of program elements, and description of program accomplishments and progress.

**LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

Sec. 1220. The amount appropriated in part 1 for implementation of the 1993 additions of or amendments to sections 9161, 16221, 16226, 17014, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and 333.17515, shall be used to reimburse local health departments for costs incurred related to implementation of section 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

Sec. 1221. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1 of the current fiscal year, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 6.25% of the local health department's essential local public health services funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

Sec. 1222. (1) Funds appropriated in part 1 for essential local public health services shall be prospectively allocated to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. Food protection shall be provided in consultation with the department of agriculture and rural development. Public water supply, private groundwater supply, and on-site sewage management shall be provided in consultation with the department of environmental quality.

(2) Local public health departments shall be held to contractual standards for the services in subsection (1).

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in the current fiscal year of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

(4) By December 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director on the planned allocation of the funds appropriated for essential local public health services.

Sec. 1223. (1) From the funds appropriated in part 1 for dental programs, $150,000.00 shall be allocated to the Michigan Dental Association for the administration of a volunteer dental program that provides dental services to the uninsured.

(2) Not later than December 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on health policy, the senate and house fiscal agencies, and the state budget office the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures from the immediately preceding fiscal year.

Sec. 1224. The department shall use revenue from mobile dentistry facility permit fees received under section 21605 of the public health code, 1978 PA 368, MCL 333.21605, to offset the cost of the permit program.

Sec. 1225. The department shall work with the Michigan health endowment fund corporation established under section 653 of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1653, to explore ways to fund and evaluate current and future policies and programs. It is the intent of the legislature that, by March 1 of the current fiscal year, the senate and house appropriations subcommittees on the department budget shall hold a joint hearing for the purpose of a presentation by the Michigan health endowment fund corporation and the department, detailing the steps taken to work together, and to report on initiatives supported by the Michigan health endowment fund.

Sec. 1226. From the funds appropriated in part 1 for health and wellness initiatives, $1,000,000.00 shall be allocated for a school children's healthy exercise program to promote and advance physical health for school children in kindergarten through grade 8. The department shall recommend model programs for sites to implement that incorporate evidence-based best practices. The department shall grant no less than 1/2 of the funds appropriated in part 1 for before- and after-school programs. The department shall establish guidelines for program sites, which may include schools, community-based organizations, private facilities, recreation centers, or other similar sites. The program format shall encourage local determination of site activities and shall encourage local inclusion of youth in the decision-making regarding site activities. Program goals shall include children experiencing improved physical health and access to physical activity opportunities, the reduction of obesity, providing a safe place to play and exercise, and nutrition education. To be eligible to participate, program sites shall provide a 20% match to the state funding, which may be provided in full, or in part, by a corporation, foundation, or private partner. The department shall seek financial support from corporate, foundation, or other private partners for the program or for individual program sites.

Sec. 1227. The department shall establish criteria for all funds allocated under part 1 for health and wellness initiatives. The criteria must include a requirement that all programs funded be evidence-based and supported by research, include interventions that have been shown to demonstrate outcomes that lower cost and improve quality, and be designed for statewide impact. Preference must be given to programs that utilize the funding as match for additional resources including, but not limited to, federal sources.

Sec. 1228. Upon request, the department, in conjunction with the vendor, shall evaluate and analyze the costs and benefits of the traumatic brain injury pilot project as funded in article IV of 2014 PA 252.

Sec. 1229. (1) From the funds appropriated in part 1 for dental programs, $1,550,000.00 shall be distributed to local health departments who partner with a qualified nonprofit provider of dental services for the purpose of providing high-quality dental homes for seniors, children, and adults enrolled in Medicaid, and low-income uninsured.

(2) In order to be considered a qualified nonprofit provider of dental services, the provider must demonstrate an effective health insurance enrollment process for uninsured patients and demonstrate to the department an effective process of charging patients on a sliding scale based on the patient's ability to pay.

(3) Outcomes and performance measures for the program under this section include, but are not limited to, the following:

(a) The number of uninsured patients who visited a participating dentist over the prior year, broken down between adults and children.

(b) The number of patients assisted with health insurance enrollment, broken down between adults and children.

(c) A 5-year trend of the number of uninsured patients being served, broken down between adults and children.

**FAMILY, MATERNAL, AND CHILD HEALTH**

Sec. 1300. The department shall monitor estimated public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, and pregnancies and births, as well as demographics collected by the department as voluntarily self-reported by individuals utilizing those services. The department shall monitor the actual expenditures by marital status or, where actual expenditures are not available, shall monitor estimated expenditures by marital status. The department may utilize the DCH-1426 application for health coverage and help paying costs or any other official application for public assistance for medical coverage to determine the actual or estimated public expenditures based on marital status. The department shall provide this information upon request of the legislature.

Sec. 1301. (1) Before April 1 of the current fiscal year, the department shall submit a report to the house and senate fiscal agencies and the state budget director on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

(a) Funding allocations.

(b) Actual number of women, children, and adolescents served and amounts expended for each group for the immediately preceding fiscal year.

(c) A breakdown of the expenditure of these funds between urban and rural communities.

(2) The department shall ensure that the distribution of funds through the programs described in subsection (1) takes into account the needs of rural communities.

(3) For the purposes of this section, "rural" means a county, city, village, or township with a population of 30,000 or less, including those entities if located within a metropolitan statistical area.

Sec. 1302. Each family planning program receiving federal title X family planning funds under 42 USC 300 to 300a-8 shall be in compliance with all performance and quality assurance indicators that the office of population affairs within the United States Department of Health and Human Services specifies in the program guidelines for project grants for family planning services. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

Sec. 1303. The department shall not contract with an organization that provides elective abortions, abortion counseling, or abortion referrals, for services that are to be funded with state restricted or state general fund/general purpose funds appropriated in part 1 for family planning local agreements. An organization under contract with the department shall not subcontract with an organization that provides elective abortions, abortion counseling, or abortion referrals, for services that are to be funded with state restricted or state general fund/general purpose funds appropriated in part 1 for family planning local agreements.

Sec. 1304. The department shall not use state restricted funds or state general funds appropriated in part 1 in the pregnancy prevention program or family planning local agreements appropriation line items for abortion counseling, referrals, or services.

Sec. 1307. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, $400,000.00 of TANF revenue shall be allocated for a pregnancy and parenting support services program, which program must promote childbirth, alternatives to abortion, and grief counseling. The department shall establish a program with a qualified contractor that will contract with qualified service providers to provide free counseling, support, and referral services to eligible women during pregnancy through 12 months after birth. As appropriate, the goals for client outcomes shall include an increase in client support, an increase in childbirth choice, an increase in adoption knowledge, an improvement in parenting skills, and improved reproductive health through abstinence education. The contractor of the program shall provide for program training, client educational material, program marketing, and annual service provider site monitoring. The department shall submit a report to the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies by April 1 of the current fiscal year on the number of clients served.

Sec. 1308. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, not less than $500,000.00 of funding shall be allocated for evidence-based programs to reduce infant mortality including nurse family partnership programs. The funds shall be used for enhanced support and education to nursing teams or other teams of qualified health professionals, client recruitment in areas designated as underserved for obstetrical and gynecological services and other high-need communities, strategic planning to expand and sustain programs, and marketing and communications of programs to raise awareness, engage stakeholders, and recruit nurses.

Sec. 1309. The department shall allocate funds appropriated in section 117 of part 1 for family, maternal, and child health according to section 1 of 2002 PA 360, MCL 333.1091.

Sec. 1310. The department shall continue to work jointly with the Michigan state housing development authority and the joint task force established under article IV of 2014 PA 252 to review housing rehabilitation, energy and weatherization, and hazard abatement program policies and to make recommendations for integrating and coordinating project delivery with the goals of serving more families and achieving better outcomes by maximizing state and federal resources. The joint task force may provide recommendations to the department. Recommendations of the joint task force must give consideration to best practices and cost effectiveness.

Sec. 1311. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, equal consideration shall be given to all eligible evidence-based providers in all regions in contracting for rural home visitation services.

Sec. 1313. (1) The department shall continue developing an outreach program on fetal alcohol syndrome services, targeting health promotion, prevention, and intervention as described in the Michigan fetal alcohol spectrum disorders 5-year plan 2015-2020.

(2) The department shall explore federal grant funding to address prevention services for fetal alcohol syndrome and reduce alcohol consumption among pregnant women.

Sec. 1340. The department shall include national brand peanut butter on the list of approved women, infants, and children special supplemental nutrition program basket items.

**CHILDREN'S SPECIAL HEALTH CARE SERVICES**

Sec. 1360. The department may do 1 or more of the following:

(a) Provide special formula for eligible clients with specified metabolic and allergic disorders.

(b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.

(c) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

(d) Provide human growth hormone to eligible patients.

Sec. 1361. From the funds appropriated in part 1 for medical care and treatment, the department is authorized to spend those funds for the continued development and expansion of telemedicine capacity to allow families with children in the children's special health care services program to access specialty providers more readily and in a more timely manner.

**AGING AND ADULT SERVICES AGENCY**

Sec. 1402. The department may encourage the Food Bank Council of Michigan to collaborate directly with each area agency on aging and any other organizations that provide senior nutrition services to secure the food access of vulnerable seniors.

Sec. 1403. (1) By February 1 of the current fiscal year, the aging and adult services agency shall require each region to report to the aging and adult services agency and to the legislature home-delivered meals waiting lists based upon standard criteria. Determining criteria shall include all of the following:

(a) The recipient's degree of frailty.

(b) The recipient's inability to prepare his or her own meals safely.

(c) Whether the recipient has another care provider available.

(d) Any other qualifications normally necessary for the recipient to receive home-delivered meals.

(2) Data required in subsection (1) shall be recorded only for individuals who have applied for participation in the home-delivered meals program and who are initially determined as likely to be eligible for home-delivered meals.

Sec. 1417. The department shall provide to the senate and house appropriations subcommittees on the department budget, senate and house fiscal agencies, and state budget director a report by March 30 of the current fiscal year that contains all of the following:

(a) The total allocation of state resources made to each area agency on aging by individual program and administration.

(b) Detail expenditure by each area agency on aging by individual program and administration including both state-funded resources and locally-funded resources.

Sec. 1421. From the funds appropriated in part 1 for community services, $1,100,000.00 shall be allocated to area agencies on aging for locally determined needs.

Sec. 1422. (1) From the funds appropriated in part 1 for aging and adult services administration, not less than $300,000.00 shall be allocated for the department to contract with the Prosecuting Attorneys Association of Michigan to provide the support and services necessary to increase the capability of the state's prosecutors, adult protective service system, and criminal justice system to effectively identify, investigate, and prosecute elder abuse and financial exploitation.

(2) By March 1 of the current fiscal year, the Prosecuting Attorneys Association of Michigan shall provide a report on the efficacy of the contract to the state budget office, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices.

Sec. 1424. From the funds appropriated in part 1 for community services, $150,000.00 is appropriated for Alzheimer's disease services and shall be remitted to the Alzheimer's association-Michigan chapters for the purpose of carrying out a pilot project in Macomb, Monroe, and St. Joseph Counties. The fiduciary for the funds is the Alzheimer's association-greater Michigan chapter. The Alzheimer's association shall provide enhanced services, including 24/7 helpline, continued care consultation, and support groups, to individuals with Alzheimer's disease or dementia and their families in the 3 counties, and partner with a Michigan public university to study whether provision of such in-home support services significantly delays the need for residential long-term care services for individuals with Alzheimer's disease or dementia. The study must also consider potential cost savings related to the delay of long-term care services, if a delay is shown.

Sec. 1425. The department shall coordinate with the department of licensing and regulatory affairs to ensure that, upon receipt of the order of suspension of a licensed adult foster care home, home for the aged, or nursing home, the department of licensing and regulatory affairs shall provide notice to the department and to the house and senate appropriations subcommittees on the department budget.

**MEDICAL SERVICES ADMINISTRATION**

Sec. 1501. The unexpended funds appropriated in part 1 for the electronic health records incentive program are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project to be carried forward is to implement the Medicaid electronic health record program that provides financial incentive payments to Medicaid health care providers to encourage the adoption and meaningful use of electronic health records to improve quality, increase efficiency, and promote safety.

(b) The projects will be accomplished according to the approved federal advanced planning document.

(c) The estimated cost of this project phase is identified in the appropriation line item.

(d) The tentative completion date for the work project is September 30, 2021.

Sec. 1502. The department shall spend available work project revenue and any associated federal match to create and develop a transparency database website. This funding is contingent upon enactment of enabling legislation.

Sec. 1503. From the funds appropriated in part 1 for Healthy Michigan plan administration, the department shall maintain an accounting structure within the Michigan administrative information network that will allow expenditures associated with the administration of the Healthy Michigan plan to be identified.

Sec. 1505. By March 1 and September 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office including both of the following:

(a) The department's projected annual increase in reimbursement savings and cost offsets that will result from the funds appropriated in part 1 for the office of inspector general and third party liability efforts.

(b) The actual increase in reimbursement savings and cost offsets that have resulted from the funds appropriated in part 1 for the office of inspector general and third party liability efforts.

Sec. 1506. The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a quarterly report on the implementation status of the public assistance call center that includes all of the following information:

(a) Call volume during the prior quarter.

(b) Percentage of calls resolved through the public assistance call center.

(c) Percentage of calls transferred to a local department office or other office for resolution.

(d) Number of Medicaid applications completed by the public assistance call center staff and submitted on behalf of clients.

Sec. 1507. (1) From the funds appropriated in part 1 for technology supporting integrated service delivery, the department shall establish new information technology tools and enhance existing systems to improve the eligibility and enrollment process for citizens accessing department administered programs. This information technology system will consolidate beneficiary information, support department caseworker efforts in building a success plan for beneficiaries, and better support department staff in supporting enrollees in assistance programs.

(2) Outcomes and performance measures for the initiative under subsection (1) include, but are not limited to, the following:

(a) Successful consolidation of data warehouses maintained by the department.

(b) The amount of time a department caseworker devotes to data entry when initiating an enrollee application.

(c) A reduction in wait times for persons enrolled in assistance programs to speak with department staff and get necessary changes made.

(d) A reduction in department caseworker workload.

**MEDICAL SERVICES**

Sec. 1601. The cost of remedial services incurred by residents of licensed adult foster care homes and licensed homes for the aged shall be used in determining financial eligibility for the medically needy. Remedial services include basic self-care and rehabilitation training for a resident.

Sec. 1603. (1) The department may establish a program for individuals to purchase medical coverage at a rate determined by the department.

(2) The department may receive and expend premiums for the buy-in of medical coverage in addition to the amounts appropriated in part 1.

(3) The premiums described in this section shall be classified as private funds.

Sec. 1605. The protected income level for Medicaid coverage determined pursuant to section 106(1)(b)(*iii*) of the social welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related public assistance standard.

Sec. 1606. For the purpose of guardian and conservator charges, the department may deduct up to $83.00 per month as an allowable expense against a recipient's income when determining medical services eligibility and patient pay amounts.

Sec. 1607. (1) An applicant for Medicaid, whose qualifying condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise. The applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

(2) An applicant qualified as described in subsection (1) shall be given a letter of authorization to receive Medicaid covered services related to her pregnancy. All qualifying applicants shall be entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care shall be paid at the Medicaid fee-for-service rate in the event a contract does not exist between the Medicaid participating obstetrical or prenatal care provider and the managed care plan. The applicant shall receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

(3) In the event that an applicant, presumed to be eligible pursuant to subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to an applicant under this section is entitled to reimbursement for those services until such time as they are notified by the department that the applicant was found to be ineligible for Medicaid.

(4) If the preponderance of evidence in an application indicates that the applicant is not eligible for Medicaid, the department shall refer that applicant to the nearest public health clinic or similar entity as a potential source for receiving pregnancy-related services.

(5) The department shall develop an enrollment process for pregnant women covered under this section that facilitates the selection of a managed care plan at the time of application.

(6) The department shall mandate enrollment of women, whose qualifying condition is pregnancy, into Medicaid managed care plans.

(7) The department shall encourage physicians to provide women, whose qualifying condition for Medicaid is pregnancy, with a referral to a Medicaid participating dentist at the first pregnancy-related appointment.

Sec. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services co-payment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

(2) Notwithstanding subsection (1), medical services reimbursement for hospital services provided to dual Medicare/medical services recipients with Medicare part B coverage only shall equal, when combined with payments for Medicare and other third-party resources, if any, those amounts established for medical services-only patients, including capital payments.

Sec. 1620. (1) According to the federal covered outpatient drug final rule with comment (CMS-2345-FC), the department shall establish a professional pharmaceutical dispensing fee for pharmacy benefits that are reimbursed on a fee-for-service basis. In establishing this fee, the department shall comply with federal law while taking into consideration the state's long-term financial exposure and Medicaid beneficiaries' access to care. The established fee shall not be lower than the amount in effect on October 1, 2015.

(2) The department shall require a prescription co-payment for Medicaid recipients not enrolled in the Healthy Michigan plan or with an income less than 100% of the federal poverty level of $1.00 for a generic drug and $3.00 for a brand-name drug, except as prohibited by federal or state law or regulation.

(3) The department shall require a prescription co-payment for Medicaid recipients enrolled in the Healthy Michigan plan with an income of at least 100% of the federal poverty level of $4.00 for a generic drug and $8.00 for a brand-name drug, except as prohibited by federal or state law or regulation.

Sec. 1629. The department shall utilize maximum allowable cost pricing for generic drugs that is based on wholesaler pricing to providers that is available from at least 2 wholesalers who deliver in this state.

Sec. 1631. (1) The department shall require co-payments on dental, podiatric, and vision services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

(2) Except as otherwise prohibited by federal or state law or regulation, the department shall require Medicaid recipients not enrolled in the Healthy Michigan plan or with an income less than 100% of the federal poverty level to pay not less than the following co-payments:

(a) Two dollars for a physician office visit.

(b) Three dollars for a hospital emergency room visit.

(c) Fifty dollars for the first day of an inpatient hospital stay.

(d) One dollar for an outpatient hospital visit.

(3) Except as otherwise prohibited by federal or state law or regulation, the department shall require Medicaid recipients enrolled in the Healthy Michigan plan with an income of at least 100% of the federal poverty level to pay the following co-payments:

(a) Four dollars for a physician office visit.

(b) Eight dollars for a hospital emergency room visit.

(c) One hundred dollars for the first day of an inpatient hospital stay.

(d) Four dollars for an outpatient hospital visit or any other medical provider visit to the extent allowed by federal or state law or regulation.

Sec. 1641. An institutional provider that is required to submit a cost report under the medical services program shall submit cost reports completed in full within 5 months after the end of its fiscal year.

Sec. 1645. The department shall consider using the most recent 3 years of actual days of care provided, as reported in the annual cost reports, for the purpose of establishing the nursing facility quality assurance assessment fee. For any year in which the estimated days of care compared to the actual days of care provided by each nursing home and hospital long-term care unit creates an aggregate overpayment of $1,000,000.00 or more as a result of the nursing facility quality assurance assessment fee, the department shall report the excess assessed amount to the senate and house appropriation subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office. By April 1 of the current fiscal year, the department shall report on feasibility of creating a more accurate formula for next year's assessment and a recommendation if a refund can or cannot be made to the senate and house appropriation subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office.

Sec. 1657. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital shall receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) do not require an alteration to an existing agreement between an HMO and its contracting hospitals and do not require an HMO to reimburse for services that are not considered to be medically necessary.

Sec. 1659. The following sections of this part are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, MIChoice long-term care plan, and the mental health, substance use disorder, and developmentally disabled services program: 904, 911, 918, 920, 928, 942, 994, 1008, 1607, 1657, 1662, 1699, 1700, 1702, 1704, 1764, 1806, 1809, 1810, 1820, 1850, 1875, 1882, and 1888.

Sec. 1662. (1) The department shall ensure that an external quality review of each contracting HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries.

(2) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and HEDIS well child health measures in accordance with the National Committee for Quality Assurance prescribed methodology.

(3) The department shall provide a copy of the analysis of the Medicaid HMO annual audited HEDIS reports and the annual external quality review report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

Sec. 1670. (1) The appropriation in part 1 for the MIChild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 212% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making application for MIChild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this part and part 1.

(2) The department may provide up to 1 year of continuous eligibility to children eligible for the MIChild program unless the family fails to pay the monthly premium, a child reaches age 19, or the status of the children's family changes and its members no longer meet the eligibility criteria as specified in the state plan.

(3) To be eligible for the MIChild program, a child must be residing in a family with an adjusted gross income of less than or equal to 212% of the federal poverty level. The department's verification policy shall be used to determine eligibility.

(4) The department may make payments on behalf of children enrolled in the MIChild program as described in the MIChild state plan approved by the United States Department of Health and Human Services, or from other medical services.

Sec. 1673. The department may establish premiums for MIChild eligible individuals in families with income at or below 212% of the federal poverty level. The monthly premiums shall be $10.00 per month.

Sec. 1677. The MIChild program shall provide, at a minimum, all benefits available under the Michigan benchmark plan that are delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance use disorder treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance use disorder services, including services furnished in a state-operated mental hospital and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MIChild state plan.

(e) Substance use disorder treatment services that may include inpatient, outpatient, and residential substance use disorder treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Sec. 1682. (1) In addition to the appropriations in part 1, the department is authorized to receive and spend penalty money received as the result of noncompliance with medical services certification regulations. Penalty money, characterized as private funds, received by the department shall increase authorizations and allotments in the long-term care accounts.

(2) Any unexpended penalty money, at the end of the year, shall carry forward to the following year.

Sec. 1692. (1) The department is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department and the state budget director are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal Medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to such agreements and state and federal law.

(2) From the funds appropriated in part 1 for medical services school-based services payments, the department is authorized to do all of the following:

(a) Finance activities within the medical services administration related to this project.

(b) Reimburse participating school districts pursuant to the fund-sharing ratios negotiated in the state-local agreements authorized in subsection (1).

(c) Offset general fund costs associated with the medical services program.

Sec. 1693. The special Medicaid reimbursement appropriation in part 1 may be increased if the department submits a medical services state plan amendment pertaining to this line item at a level higher than the appropriation. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

Sec. 1694. From the funds appropriated in part 1 for special Medicaid reimbursement, $386,700.00 of general fund/general purpose revenue and any associated federal match shall be distributed for poison control services to an academic health care system that includes a children's hospital that has a high indigent care volume.

Sec. 1699. (1) The department may make separate payments in the amount of $45,000,000.00 directly to qualifying hospitals serving a disproportionate share of indigent patients and to hospitals providing GME training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid recipients, hospitals shall not include GME costs or DSH payments in their contracts with HMOs.

(2) The department shall allocate $45,000,000.00 in DSH funding using the distribution methodology used in fiscal year 2003-2004.

Sec. 1700. (1) By December 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on the distribution of funding provided, and the net benefit if the special hospital payment is not financed with general fund/general purpose revenue, to each eligible hospital during the previous fiscal year from the following special hospital payments:

(a) DSH, separated out by unique DSH pool.

(b) GME.

(c) Special rural hospital payments provided under section 1866.

(d) Lump-sum payments to rural hospitals for obstetrical care provided under section 1802.

(2) By May 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on the projected distribution of funding, and the projected net benefit if the special hospital payment is not financed with general fund/general purpose revenue, to each eligible hospital from the following special hospital payments:

(a) DSH, separated out by unique DSH pool.

(b) GME.

(c) Special rural hospital payments provided under section 1866.

(d) Lump-sum payments to rural hospitals for obstetrical care provided under section 1802.

Sec. 1701. The department shall consider implementing a direct primary care pilot program for Medicaid enrollees. Each Medicaid enrollee who participates in the pilot program shall be enrolled in a direct primary care provider plan that is under contract with 1 or more Medicaid managed care health plans. Outcomes and performance measures for the direct primary care pilot program include, but are not limited to, the following:

(a) The number of enrollees in the pilot program by Medicaid eligibility category.

(b) Direct primary care cost per enrollee.

(c) Other Medicaid managed care cost savings generated from direct primary care.

Sec. 1702. From the funds appropriated in part 1, the department shall provide a 15% rate increase for private duty nursing services for Medicaid beneficiaries under the age of 21. These additional funds must be used to attract and retain highly qualified registered nurses and licensed practical nurses to provide private duty nursing services so that medically frail children can be cared for in the most homelike setting possible.

Sec. 1704. (1) From the funds appropriated in part 1 for dental services, the department shall allocate $2,726,000.00 to support the enhancement of the Medicaid adult dental benefit for pregnant women enrolled in a Medicaid program.

(2) Outcomes and performance measures for the program change under this section include, but are not limited to, the following:

(a) The number of pregnant women enrolled in Medicaid who visited a dentist over the prior year.

(b) The number of dentists statewide who participate in providing dental services to pregnant women enrolled in Medicaid.

Sec. 1705. By March 1 of the current fiscal year, the department shall provide to the senate and house appropriation subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office a report to evaluate the various reimbursement rates provided to ambulatory surgical centers, to explain why any differences in reimbursement rates exist, and to recommend any changes to the reimbursement rates.

Sec. 1724. The department shall allow licensed pharmacies to purchase injectable drugs for the treatment of respiratory syncytial virus for shipment to physicians' offices to be administered to specific patients. If the affected patients are Medicaid eligible, the department shall reimburse pharmacies for the dispensing of the injectable drugs and reimburse physicians for the administration of the injectable drugs.

Sec. 1730. (1) The department shall work with the department of education to evaluate the feasibility of including an assessment tool to promote literacy development of pregnant women and new mothers in the maternal infant health program.

(2) By March 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on the findings of the feasibility study on including an assessment tool to promote literacy development of pregnant women and new mothers in the maternal infant health program.

Sec. 1757. The department shall obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country and that they are residents of this state before approving Medicaid eligibility.

Sec. 1764. The department shall annually certify whether rates paid to Medicaid health plans and specialty PIHPs are actuarially sound in accordance with federal requirements and shall provide a copy of the rate certification and approval of rates paid to Medicaid health plans and specialty PIHPs within 5 business days after certification or approval to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office. When calculating the annual actuarial soundness adjustment, the department shall take into account all Medicaid policy bulletins affecting Medicaid health plans or specialty PIHPs issued after the most recent actuarial soundness process concluded.

Sec. 1775. (1) By March 1 and September 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on progress in implementing the waiver to implement managed care for individuals who are eligible for both Medicare and Medicaid, known as MI Health Link, including, but not limited to, a description of how the department intends to ensure that service delivery is integrated, how key components of the proposal are implemented effectively, and any problems and potential solutions as identified by the ombudsman described in subsection (2).

(2) The department shall ensure the existence of an ombudsman program that is not associated with any project service manager or provider to assist MI Health Link beneficiaries with navigating complaint and dispute resolution mechanisms and to identify problems in the demonstrations and in the complaint and dispute resolution mechanisms.

Sec. 1782. Subject to federal approval, from the funds appropriated in part 1 for health plan services, the department shall allocate $500,000.00 general fund/general purpose plus any available work project funds and federal match to the Medicaid health plans through a capitation rate increase for children. This rate increase shall be used to support a statewide media campaign for improving this state's immunization rates.

Sec. 1800. For the distribution of each of the pools within the $85,000,000.00 outpatient disproportionate share hospital payment, the department shall develop a formula for the distribution of each pool based on the quality of care, cost, traditional disproportionate share hospital factors such as Medicaid utilization and uncompensated care, and any other factor that the department determines should be considered.

Sec. 1801. (1) From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase to Medicaid rates for primary care services provided only by primary care providers. For the purpose of this section, a primary care provider is a physician, or a practitioner working under the personal supervision of a physician, who is board-eligible or certified with a specialty designation of family medicine, general internal medicine, or pediatric medicine, or a provider who provides the department with documentation of equivalency. Providers performing a service and whose primary practice is as a non-primary-care subspecialty is not eligible for the increase. The department shall establish policies that most effectively limit the increase to primary care providers for primary care services only.

(2) The department shall report by March 1 of the current fiscal year to the senate and house subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office the following:

(a) A list of medical specialties and licensed providers that were paid enhanced primary care rates in fiscal year 2014-2015.

(b) Information on the geographic distribution of specialists who received enhanced rates in fiscal year 2014-2015.

Sec. 1802. From the funds appropriated in part 1, a lump-sum payment shall be made to hospitals that qualified for rural hospital access payments in fiscal year 2013-2014 and that provide obstetrical care in the current fiscal year. The payment shall be calculated as $830.00 for each obstetrical care case payment and each newborn care case payment for all such cases billed by the qualified hospitals for fiscal year 2012-2013 and shall be paid through the Medicaid health plan hospital rate adjustment process by January 1 of the current fiscal year.

Sec. 1804. The department, in cooperation with the department of military and veterans affairs, shall work with the federal public assistance reporting information system to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits.

Sec. 1805. Hospitals receiving medical services payments for graduate medical education shall submit fully completed quality data to a nonprofit organization with extensive experience in collecting and reporting hospital quality data on a public website. The reporting must utilize consensus-based nationally endorsed standards that meet National Quality Forum-endorsed safe practices. The organization collecting the data must be an organization that uses severity-adjusted risk models and measures that will help patients and payers identify hospital campuses likely to have superior outcomes. The public website shall provide information to allow consumers to compare safe practices by hospital campus, including, but not limited to, perinatal care, hospital-acquired infection, and serious reportable events. Hospitals receiving medical services payments for graduate medical education shall also make their fully completed quality data available on the hospital's website.

Sec. 1806. (1) The department may establish performance standards to measure progress in the implementation of the common formulary used by all contracted Medicaid health plans.

(2) The ongoing implementation of the common formulary must include consideration of the department's preferred drug list.

(3) To achieve the objective of low net cost, the contracted health plans may use evidence-based utilization management techniques in the implementation of the common formulary.

(4) The contracted health plans and the department shall continue to facilitate and emphasize the value of increased participation in the use of e-prescribing and electronic medical records.

Sec. 1809. The department shall establish separate contract performance standards for Medicaid health plans that adhere to the requirements of section 105d of the social welfare act, 1939 PA 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation withhold. The determination of the performance of the 0.75% capitation withhold is at the discretion of the department but must include recognized concepts such as 1-year continuous enrollment and the HEDIS audited data. The determination of the performance of the 0.25% capitation withhold is at the discretion of the department but must include the utilization of high-value services and discouraging the utilization of low-value services.

Sec. 1810. The department shall enhance encounter data reporting processes and develop rules that would make each health plan's encounter data as complete as possible, provide a fair measure of acuity for each health plan's enrolled population for risk adjustment purposes, capitation rate setting, diagnosis-related group rate setting, and research and analysis of program efficiencies while minimizing health plan administrative expense.

Sec. 1812. (1) By June 1 of the current fiscal year, and using the most recent available cost reports, the department shall complete a report of all direct and indirect costs associated with residency training programs for each hospital that receives funds appropriated in part 1 for graduate medical education. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office.

(2) By August 1 of the current fiscal year, the department shall develop a template for hospitals receiving funds appropriated in part 1 for graduate medical education to report the following in a standard format:

(a) The marginal cost to add 1 additional residency training program slot.

(b) The number of additional slots that would result in the need to add additional administrative costs to oversee the residents in the training program.

(c) The postresidency retention rate for the residency training program.

(3) The department shall convene a workgroup to use the reports submitted under subsections (1) and (2) to assist in the development of metrics for distribution of graduate medical education funds and shall report to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies on the results of the workgroup by September 30 of the current fiscal year. It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2018, the metrics developed by this workgroup be used to determine the distribution of funds for graduate medical education.

(4) If needed, the department shall seek a federal waiver to fulfill the requirements of this section.

Sec. 1820. (1) In order to avoid duplication of efforts, the department shall utilize applicable national accreditation review criteria to determine compliance with corresponding state requirements for Medicaid health plans that have been reviewed and accredited by a national accrediting entity for health care services.

(2) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety.

(3) As used in this section, "national accrediting entity" means the National Committee for Quality Assurance, the URAC, formerly known as the Utilization Review Accreditation Commission, or other appropriate entity, as approved by the department.

(4) By July 1 of the current fiscal year, the department shall provide a progress report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on implementation of this section.

Sec. 1837. The department shall continue, and expand where appropriate, utilization of telemedicine and telepsychiatry as strategies to increase access to services for Medicaid recipients in medically underserved areas.

Sec. 1846. From the funds appropriated in part 1 for graduate medical education, the department shall distribute the funds with an emphasis on the following health care workforce goals:

(a) The encouragement of the training of physicians in specialties, including primary care, that are necessary to meet the future needs of residents of this state.

(b) The training of physicians in settings that include ambulatory sites and rural locations.

Sec. 1850. The department may allow Medicaid health plans to assist with the redetermination process through outreach activities to ensure continuation of Medicaid eligibility and enrollment in managed care. This may include mailings, telephone contact, or face-to-face contact with beneficiaries enrolled in the individual Medicaid health plan. Health plans may offer assistance in completing paperwork for beneficiaries enrolled in their plan.

Sec. 1861. The department shall encourage cooperation between the Medicaid managed care health plans, other health providers, and nonprofit entities to continue the facilitation of a pilot nonemergency transportation system.

Sec. 1862. From the funds appropriated in part 1, the department shall maintain payment rates for Medicaid obstetrical services at 95% of Medicare levels effective October 1, 2014.

Sec. 1866. (1) From the funds appropriated in part 1 for hospital services and therapy and health plan services, $12,000,000.00 in general fund/general purpose revenue and any associated federal match shall be awarded to hospitals that meet criteria established by the department for services to low-income rural residents. One of the reimbursement components of the distribution formula shall be assistance with labor and delivery services.

(2) No hospital or hospital system shall receive more than 10.0% of the total funding referenced in subsection (1).

(3) To allow hospitals to understand their rural payment amounts under this section, the department shall provide hospitals with the methodology for distribution under this section and provide each hospital with its applicable data that are used to determine the payment amounts by August 1 of the current fiscal year. The department shall publish the distribution of payments for the current fiscal year and the immediately preceding fiscal year.

Sec. 1870. The department shall continue to work with the MiDocs consortium to explore alternative graduate medical education financing sources and mechanisms that expand residency opportunities for primary care training, per approval from the Centers for Medicare and Medicaid Services. By December 1 of the current fiscal year, the MiDocs consortium shall submit a report presenting a comprehensive funding plan to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies.

Sec. 1873. From the funds appropriated in part 1 for long-term care services, the department may allocate up to $3,700,000.00 for the purpose of outreach and education to nursing home residents and the coordination of housing in order to move out of the facility. In addition, any funds appropriated shall be used for other quality improvement activities of the program. The department shall consider working with the Area Agencies on Aging Association of Michigan, the non-Area Agencies on Aging waivers, and the Disability Network/Michigan to develop a plan for the ongoing sustainability of the nursing facility transition initiative.

Sec. 1874. (1) The department shall ensure, in counties where program of all-inclusive care for the elderly or PACE services are available, that the program of all-inclusive care for the elderly (PACE) is included as an option in all options counseling and enrollment brokering for aging services and managed care programs, including, but not limited to, Area Agencies on Aging, centers for independent living, and the MiChoice home and community-based waiver. Such options counseling must include approved marketing and discussion materials.

(2) The department shall establish a workgroup that consists of the independent waiver agents, the medical services administration, and PACE providers, to address PACE program issues as identified within the state contract with PACE providers. The workgroup shall, at a minimum, address the following concerns:

(a) Timely eligibility processing.

(b) Barriers to new enrollment.

(c) Future expansion criteria.

(3) The department shall report by April 1 of the current fiscal year to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on the findings of the workgroup.

Sec. 1875. (1) The department and its contractual agents may not subject Medicaid prescriptions to prior authorization procedures during the current fiscal year if that drug is carved out or is not subject to prior authorization procedures as of May 9, 2016, and is generally recognized in a standard medical reference or the American Psychiatric Association's Diagnostic and Statistical Manual for the Treatment of a Psychiatric Disorder.

(2) The department and its contractual agents may not subject Medicaid prescriptions to prior authorization procedures during the current fiscal year if that drug is carved out or is not subject to prior authorization procedures as of May 9, 2016 and is a prescription drug that is generally recognized in a standard medical reference for the treatment of epilepsy or seizure disorder or organ replacement therapy.

(3) As used in this section, "prior authorization" means a process implemented by the department or its contractual agents that conditions, delays, or denies delivery or particular pharmacy services to Medicaid beneficiaries upon application of predetermined criteria by the department or its contractual agents to those pharmacy services. The process of prior authorization often requires that a prescriber do 1 or both of the following:

(a) Obtain preapproval from the department or its contractual agents before prescribing a given drug.

(b) Verify to the department or its contractual agents that the use of a drug prescribed for an individual meets predetermined criteria from the department or its contractual agents for a prescription drug that is otherwise available under the Medicaid program in this state.

Sec. 1876. (1) From the funds appropriated in part 1 for Healthy Michigan Plan, the department shall allocate up to $830,000.00 to facilitate the development and implementation of a demonstration project in cooperation with 1 or more contracting Medicaid health plans. These provisions shall be part of the protocol for implementation of incentives under the Healthy Michigan Plan and must do all of the following:

(a) Target Healthy Michigan Plan health plan enrollees who are above 100% of the federal poverty level, in at least 2 prosperity regions.

(b) Implement a web-based technology that links providers, beneficiaries, and health plans, in real-time, for the purpose of addressing deficiency in medical literacy and demonstrating that personal responsibility is enhanced by technology.

(c) Identify specific behavioral changes that will result as indicated by changes in measurable health outcomes and health care utilization.

(2) The demonstration project shall be implemented by April 1 of the current fiscal year. Prior to implementation, the department shall present a summary description to the senate and house appropriations subcommittees on the department budget and the senate and house committees on health policy that must include the estimated cost of the demonstration, identify a shared savings proposal for Medicaid health plans who participate in the demonstration, and identify intended measurable results.

(3) It is the intent of the legislature that the demonstration project shall test the cost containment capabilities of a program that uses financial incentives to improve health and health care by promoting health literacy and doctor-patient mutual accountability. Outcomes and performance measures for this initiative shall include, but are not limited to, the following:

(a) The total annual per capita or per-member-per-year health care expenditures. This metric shall be derived by dividing the total annual health care expenditures of a population by the average annual number of people in that population. Claims data shall be used to compute health care expenditures.

(b) The per-member-per-year health care expenditures of a reasonably matched population not covered by the demonstration program. To account for minor differences in the 2 populations, each group's annual trend during the pilot shall be measured against their respective baseline trends in the year before implementing the program.

(c) In order to attribute the finding to the program, other process metrics that have been found to correlate with health literacy must be analyzed. These metrics may include hospitalization rates, frequency of emergency room use, and the percentage of health education sessions prescribed by medical providers and successfully completed by patients relative to the total number of possible session opportunities offered through the program.

(4) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2018, the department shall submit quarterly reports to the senate and house appropriations committees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office detailing the information required in subsection (3).

Sec. 1877. The department shall evaluate and report to the house and senate appropriations subcommittees on the department budget on how the Healthy Michigan plan has contributed to assisting individuals in utilizing high-value services, minimized the use of low-value services, and how individuals' lives may be improving as a result of their access to services provided through the Healthy Michigan plan.

Sec. 1878. Not later than March 1 of the current fiscal year, the department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on hepatitis C tracking data. At a minimum, the report shall include information on the following for individuals treated with Harvoni or any other treatment used to cure hepatitis C during the current fiscal year or a previous fiscal year:

(a) The total number of people treated broken down by those treated through traditional Medicaid and those treated through the Healthy Michigan plan.

(b) The total cost of treatment.

(c) The total cost of treatment broken down by those treated through traditional Medicaid and those treated through the Healthy Michigan plan.

(d) The total amount of any rebates that were received from the purchase of hepatitis C specialty pharmaceuticals.

(e) Outstanding rebates that the department is expecting to receive.

(f) The cure rate broken down by Metavir Score, genotype, Medicaid match rate, and drug used during treatment.

(g) The reinfection rate broken down by Metavir Score, genotype, Medicaid match rate, and drug used during treatment.

Sec. 1882. By December 31, 2016, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office, documentation of the expenses incurred during the immediate preceding fiscal year by Medicaid health plans and PIHPs for the purpose of meeting the contractual requirements to join the Michigan Health Information Network Shared Services and incentivizing providers to become members of the Health Information Exchange Qualified Organization. The report should also include an estimation of the expenses to be incurred in the current fiscal year by Medicaid health plans and PIHPs for the same purpose of meeting their contractual obligations.

Sec. 1888. The department shall establish contract performance standards associated with the capitation withhold provisions for Medicaid health plans at least 3 months in advance of the implementation of those standards. The determination of whether performance standards have been met shall be based primarily on recognized concepts such as 1-year continuous enrollment and the healthcare effectiveness data and information set, HEDIS, audited data.

Sec. 1890. From the funds appropriated in part 1 for pharmaceutical services, the department shall ensure Medicaid recipients' access to breast pumps to support and encourage breastfeeding. The department shall adjust Medicaid policy to, at a minimum, provide an individual double electric style pump to a breastfeeding mother when a physician prescribes

such a device based on diagnosis of mother or infant. If the distribution method for pumps or other equipment is a department contract with durable medical equipment providers, the department shall guarantee providers stock and rent to Medicaid recipients without delay or undue restriction.

Sec. 1894. (1) From the funds appropriated in part 1 for dental services, the department shall expand the Healthy Kids Dental program to all eligible children in Kent, Oakland, and Wayne Counties. This program expansion will improve access to necessary dental services for Medicaid-enrolled children.

(2) Outcomes and performance measures for this initiative include, but are not limited to, the following:

(a) The number of Medicaid-enrolled children in Kent, Oakland, and Wayne Counties who visited the dentist over the prior year.

(b) The number of dentists in Kent, Oakland, and Wayne Counties who will accept Medicaid payment for services to children.

(c) The change in dental utilization in Kent, Oakland, and Wayne Counties before and after full implementation of the Healthy Kids Dental expansion in these counties.

Sec. 1899. From the funds appropriated in part 1 for personal care services, beginning October 1, 2016, the department shall increase the monthly Medicaid personal care supplement paid to adult foster care facilities and homes for the aged that provide personal care services to Medicaid beneficiaries by $15.00.

**ONE-TIME BASIS ONLY APPROPRIATIONS**

Sec. 1908. The funds appropriated in part 1 for hospice services shall be expended to provide room and board for Medicaid recipients who meet hospice eligibility requirements and receive services at Medicaid enrolled hospice residences in this state. The qualifying hospice residences must have been enrolled with Medicaid by October 1, 2014.

Sec. 1909. (1) From the increased funds appropriated in part 1 for family preservation and support services, the department shall expand the parent partner program and the family reunification program. The purpose of these program expansions will be to enhance family preservation and support services to prevent the need for foster care, shorten the length of time between foster care entry and reunification, and sustain parental progress following reunification.

(2) The department shall identify specific outcomes and performance measures for this initiative, including, but not limited to, the following:

(a) Percentage of children that were discharged from foster care to reunification in less than 12 months from the date of the latest removal from home.

(b) Median length of stay in months from the date of the latest removal from home until the date of discharge to reunification.

(c) Percentage of children who reentered foster care in less than 12 months from the date of discharge to reunification.

(d) Percentage of children who were victims of a substantiated or indicated maltreatment allegation who were not victims of another substantiated or indicated maltreatment allegation within a 6-month period from the date of discharge to reunification.

(e) Measurable effects of this program expansion on reducing the rate of children who live in families with incomes below the federal poverty level.

(3) Unexpended funds appropriated in part 1 for family preservation and support services are designated as work project appropriations, and any unencumbered or unalloted funds shall not lapse at the end of the current fiscal year and shall be available for expenditures for the parent partner program and the family reunification program until the projects have been completed. All of the following are in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects is to expand and enhance family preservation and support services to prevent the need for foster care, shorten the length of time between foster care entry and reunification, and sustain parental progress following reunification.

(b) The projects will be carried out through contracts with private and not-for-profit vendors to expand the parent partner program and family reunification program to additional counties throughout the state.

(c) The estimated cost of this work project is $6,098,200.00.

(d) The estimated work project completion date is September 30, 2019.

Sec. 1910. From the funds appropriated in part 1 for the drinking water declaration of emergency, the department shall allocate funds to address needs in a city in which a declaration of emergency was issued because of drinking water contamination. These funds may support, but are not limited to, the following activities:

(a) Emergency nutrition assistance, nutritional and community education, food bank resources, and food inspections.

(b) Epidemiological analysis and case management of individuals at risk of elevated blood lead levels.

(c) Support for child and adolescent health centers, children's health care access program, and pathways to potential programming.

(d) Nursing services, evidence-based home visiting programs, intensive services, and outreach for children exposed to lead coordinated through local community mental health organizations.

(e) Department field operations costs.

(f) Assessment of potential linkages to other diseases.

Sec. 1912. From the funds appropriated in part 1 for mobile electronic service verification study, the department shall allocate $25,000.00 to commission a study to review the outcomes and performance improvements of developing and piloting a mobile electronic service verification solution for home help services that shall include biometric identity verification to create administrative efficiencies, reduce error, and minimize fraud.

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

Sec. 2001. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2017 consensus revenue estimating conference.

ARTICLE XI

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of insurance and financial services for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

| | | |
|---|---|---|
| APPROPRIATION SUMMARY | | |
| Full-time equated unclassified positions ..... 6.0 | | |
| Full-time equated classified positions ..... 336.5 | | |
| GROSS APPROPRIATION | $ | 66,257,200 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 707,600 |
| ADJUSTED GROSS APPROPRIATION | $ | 65,549,600 |
| Federal revenues: | | |
| Total federal revenues | | 2,000,000 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 63,399,600 |
| State general fund/general purpose | $ | 150,000 |
| State general fund/general purpose schedule: | | |
| Ongoing state general fund/general purpose ..... 150,000 | | |
| One-time state general fund/general purpose ..... 0 | | |
| **Sec. 102. DEPARTMENT SERVICES** | | |
| Full-time equated unclassified positions ..... 6.0 | | |
| Full-time equated classified positions ..... 22.5 | | |
| Unclassified salaries—6.0 FTE positions | $ | 746,500 |
| Executive director programs—3.5 FTE positions | | 1,059,200 |
| Department services—19.0 FTE positions | | 3,730,700 |
| Property management | | 1,175,700 |
| Worker's compensation | | 5,200 |
| Administrative hearings | | 182,500 |
| Information technology services and projects | | 2,216,100 |
| GROSS APPROPRIATION | $ | 9,115,900 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Bank fees | | 801,600 |
| Captive insurance regulatory and supervision fund | | 3,900 |
| Consumer finance fees | | 355,800 |
| Credit union fees | | 1,056,800 |
| Deferred presentment service transaction fees | | 469,900 |
| Insurance bureau fund | | 2,829,300 |
| Insurance continuing education fund | | 90,500 |
| Insurance licensing and regulation fees | | 2,537,300 |
| MBLSLA fund | | 819,600 |
| Multiple employer welfare arrangement | | 1,200 |
| State general fund/general purpose | $ | 150,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **Sec. 103. INSURANCE AND FINANCIAL SERVICES REGULATION** | | |
| Full-time equated classified positions ..... 314.0 | | |
| Insurance evaluation—54.0 FTE positions | $ | 12,908,900 |
| Insurance rates and forms—30.0 FTE positions | | 5,942,500 |
| Financial institutions evaluation—132.0 FTE positions | | 24,212,800 |
| Regulatory compliance, market conduct, and licensing—34.0 FTE positions | | 5,482,000 |
| Consumer services and protection—64.0 FTE positions | | 8,595,100 |
| GROSS APPROPRIATION | $ | 57,141,300 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG - LARA, for debt management | | 707,600 |
| Federal revenues: | | |
| Federal revenues | | 2,000,000 |
| Special revenue funds: | | |
| Bank fees | | 6,018,100 |
| Captive insurance regulatory and supervision fund | | 282,900 |
| Consumer finance fees | | 3,061,000 |
| Credit union fees | | 7,968,800 |
| Deferred presentment service transaction fees | | 3,293,200 |
| Insurance bureau fund | | 20,988,400 |
| Insurance continuing education fund | | 995,000 |
| Insurance licensing and regulation fees | | 6,004,500 |
| MBLSLA fund | | 5,540,100 |
| Multiple employer welfare arrangement | | 281,700 |
| State general fund/general purpose | $ | 0 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $63,549,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is $0.

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of insurance and financial services.

(b) "Director" means the director of the department.

(c) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.

(d) "FTE" means full-time equated.

(e) "IDG" means interdepartmental grant.

(f) "LARA" means the department of licensing and regulatory affairs.

(g) "MBLSLA fund" means the restricted account established under section 8 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1658.

(h) "Subcommittees" means the subcommittees of the house of representatives and senate appropriations committees with jurisdiction over the budget for the department.

Sec. 204. The departments and agencies receiving appropriations in this part and part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 205. Funds appropriated in this part and part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms

with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. (1) Out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

(3) Not later than January 1, the department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 208. Funds appropriated in this part and part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house of representatives appropriations committees and the fiscal agencies.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for federal contingency funds.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $5,000,000.00 for state restricted contingency funds.

(3) Funds appropriated under this section are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal-year-to-date expenditures by category.

(b) Fiscal-year-to-date expenditures by appropriation unit.

(c) Fiscal-year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house of representatives appropriations chairs, the subcommittees chairs, and the fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the immediately preceding and current fiscal years.

Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 214. Total authorized appropriations from all sources in part 1 for legacy costs for the fiscal year ending September 30, 2017 are $10,214,700.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $5,663,800.00. Total agency appropriations for retiree health care legacy costs are estimated at $4,550,900.00.

Sec. 215. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 217. The department and agencies receiving appropriations in this part and part 1 shall receive and retain copies of all reports funded from appropriations in this part and part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies or reports unless otherwise required by federal and state guidelines.

Sec. 218. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 219. The department shall not develop or produce any television or radio productions.

Sec. 220. The department, in conjunction with the department of health and human services, shall maintain an accounting structure within the Michigan administrative information network that will allow expenditures associated with the administration of the Healthy Michigan plan to be identified. By October 1, if there are changes from the previous fiscal year, the department shall provide the state budget office and the fiscal agencies with the relevant accounting structure and associated business objects script and report that group's administrative costs.

Sec. 221. The amount appropriated from the general fund in part 1 for executive director program may only be expended to comply with reporting requirements regarding the Healthy Michigan plan under section 105d(9) of the social welfare act, 1939 PA 280, MCL 400.105d.

**INSURANCE AND FINANCIAL SERVICES REGULATION**

Sec. 301. The department shall provide a report to the legislature based on the annual rate filings from health insurance issuers that includes all of the following:

(a) The number that are approved by the department.

(b) The number that are denied by the department.

(c) The percentage of rate filings processed within the applicable statutory time frames.

(d) The average number of calendar days to process rate filings.

(e) An estimated percentage of this state's population that is without any form of health insurance coverage for more than 6 months in any given calendar year.

Sec. 302. In addition to the funds appropriated in part 1, the funds collected by the department in connection with a conservatorship under section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, and funds collected by the department from corporations being liquidated under the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 303. The department may make available to interested entities customized listings of nonconfidential information in its possession. The department may establish and collect a reasonable charge to provide this service. The revenue from this service is appropriated when received and 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 lapse to the appropriate restricted fund.

ARTICLE XII

JUDICIARY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the judiciary for the fiscal year ending September 30, 2017, from the following funds:

**JUDICIARY**

| | | |
|---|---|---|
| APPROPRIATION SUMMARY | | |
| Full-time equated exempted positions | 510.0 | |
| GROSS APPROPRIATION | $ | 298,234,000 |
| Interdepartmental grant revenues: | | |
| IDG from department of state police | | 1,500,000 |
| IDG from department of corrections | | 50,000 |
| Total interdepartmental grants and intradepartmental transfers | | 1,550,000 |
| ADJUSTED GROSS APPROPRIATION | $ | 296,684,000 |
| Federal revenues: | | |
| DOJ, drug court training and evaluation | | 300,000 |
| DOT, National Highway Traffic Safety Administration | | 2,210,700 |
| HHS, access and visitation grant | | 621,200 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| HHS, children's justice grant | $ | 233,000 |
| HHS, court improvement project | | 1,309,700 |
| HHS, title IV-D child support program | | 1,024,700 |
| HHS, title IV-E foster care program | | 392,500 |
| Other federal grant revenues | | 341,700 |
| Total federal revenues | | 6,433,500 |
| Special revenue funds: | | |
| Local - user fees | | 7,349,300 |
| Total local revenues | | 7,349,300 |
| Private | | 190,800 |
| Private - interest on lawyers trust accounts | | 346,800 |
| Private - state justice institute | | 420,200 |
| Total private revenues | | 957,800 |
| Total local and private revenues | | 8,307,100 |
| Community dispute resolution fund | | 2,377,200 |
| Court equity fund | | 50,440,000 |
| Court fee fund | | 2,988,100 |
| Court of appeals filing/motion fees | | 1,641,800 |
| Drug court fund | | 1,920,500 |
| Drug fund | | 250,000 |
| Drunk driving fund | | 3,300,000 |
| Judicial technology improvement fund | | 4,815,000 |
| Juror compensation fund | | 6,600,000 |
| Electronic filing fee fund | | 8,500,000 |
| Justice system fund | | 575,200 |
| Law exam fees | | 649,700 |
| Miscellaneous revenue | | 408,700 |
| State court fund | | 8,319,800 |
| Total other state restricted revenues | | 92,786,000 |
| State general fund/general purpose | $ | 189,157,400 |
| **Sec. 102. SUPREME COURT** | | |
| Full-time equated exempted positions 246.0 | | |
| Supreme court administration—92.0 FTE positions | $ | 13,606,300 |
| Judicial institute—13.0 FTE positions | | 1,800,800 |
| State court administrative office—61.0 FTE positions | | 12,211,100 |
| Judicial information systems—22.0 FTE positions | | 3,427,500 |
| Direct trial court automation support—44.0 FTE positions | | 7,349,300 |
| Foster care review board—10.0 FTE positions | | 1,305,700 |
| Community dispute resolution—3.0 FTE positions | | 2,377,200 |
| Other federal grants | | 275,100 |
| Drug treatment courts | | 11,083,000 |
| Mental health courts and diversion service—1.0 FTE position | | 5,462,700 |
| Veterans courts | | 500,000 |
| Swift and sure sanctions program | | 4,000,000 |
| Next generation Michigan court system | | 4,116,000 |
| GROSS APPROPRIATION | $ | 67,514,700 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from department of state police | | 1,500,000 |
| IDG from department of corrections | | 50,000 |
| Federal revenues: | | |
| DOJ, drug court training and evaluation | | 300,000 |
| DOT, National Highway Traffic Safety Administration | | 2,210,700 |
| HHS, access and visitation grant | | 621,200 |
| HHS, children's justice grant | | 233,000 |
| HHS, court improvement project | | 1,309,700 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| HHS, title IV-D child support program | $ | 1,024,700 |
| HHS, title IV-E foster care program | | 392,500 |
| Other federal grant revenues | | 275,100 |
| Special revenue funds: | | |
| Local - user fees | | 7,349,300 |
| Private | | 190,800 |
| Private - interest on lawyers trust accounts | | 262,600 |
| Private - state justice institute | | 420,200 |
| Community dispute resolution fund | | 2,377,200 |
| Court of appeals filing/motion fees | | 1,641,800 |
| Law exam fees | | 649,700 |
| Drug court fund | | 1,920,500 |
| Miscellaneous revenue | | 273,300 |
| Justice system fund | | 575,200 |
| State court fund | | 382,800 |
| State general fund/general purpose | $ | 43,554,400 |
| **Sec. 103. COURT OF APPEALS** | | |
| Full-time equated exempted positions 175.0 | | |
| Court of appeals operations—175.0 FTE positions | $ | 23,102,700 |
| GROSS APPROPRIATION | $ | 23,102,700 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State general fund/general purpose | $ | 23,102,700 |
| **Sec. 104. BRANCHWIDE APPROPRIATIONS** | | |
| Full-time equated exempted positions 4.0 | | |
| Branchwide appropriations—4.0 FTE positions | $ | 8,745,300 |
| GROSS APPROPRIATION | $ | 8,745,300 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 8,745,300 |
| **Sec. 105. JUSTICES' AND JUDGES' COMPENSATION** | | |
| Full-time judges positions 592.0 | | |
| Supreme court justices' salaries—7.0 justices | $ | 1,152,300 |
| Court of appeals judges' salaries—26.0 judges | | 4,014,100 |
| District court judges' state base salaries—241.0 judges | | 22,613,900 |
| District court judicial salary standardization | | 11,008,100 |
| Probate court judges' state base salaries—103.0 judges | | 9,770,600 |
| Probate court judicial salary standardization | | 4,669,600 |
| Circuit court judges' state base salaries—215.0 judges | | 20,481,400 |
| Circuit court judicial salary standardization | | 9,796,400 |
| Judges' retirement system defined contributions | | 4,526,500 |
| OASI, social security | | 5,733,000 |
| GROSS APPROPRIATION | $ | 93,765,900 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Court fee fund | | 2,988,100 |
| State general fund/general purpose | $ | 90,777,800 |
| **Sec. 106. JUDICIAL AGENCIES** | | |
| Full-time equated exempted positions 7.0 | | |
| Judicial tenure commission—7.0 FTE positions | $ | 1,137,600 |
| GROSS APPROPRIATION | $ | 1,137,600 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 1,137,600 |
| **Sec. 107. INDIGENT DEFENSE - CRIMINAL** | | |
| Full-time equated exempted positions 67.0 | | |
| Appellate public defender program—51.0 FTE positions | $ | 7,704,500 |
| Michigan indigent defense commission—16.0 FTE positions | | 2,345,600 |
| GROSS APPROPRIATION | $ | 10,050,100 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| Federal revenues: | | |
| Other federal grant revenues | $ | 66,600 |
| Special revenue funds: | | |
| Private - interest on lawyers trust accounts | | 84,200 |
| Miscellaneous revenue | | 135,400 |
| State general fund/general purpose | $ | 9,763,900 |
| **Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE** | | |
| Indigent civil legal assistance | $ | 7,937,000 |
| GROSS APPROPRIATION | $ | 7,937,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State court fund | | 7,937,000 |
| State general fund/general purpose | $ | 0 |
| **Sec. 109. TRIAL COURT OPERATIONS** | | |
| Court equity fund reimbursements | $ | 60,815,700 |
| Judicial technology improvement fund | | 4,815,000 |
| Drug case-flow program | | 250,000 |
| Drunk driving case-flow program | | 3,300,000 |
| Juror compensation reimbursement | | 6,600,000 |
| Statewide e-file system | | 8,500,000 |
| GROSS APPROPRIATION | $ | 84,280,700 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Court equity fund | | 50,440,000 |
| Judicial technology improvement fund | | 4,815,000 |
| Drug fund | | 250,000 |
| Drunk driving fund | | 3,300,000 |
| Juror compensation fund | | 6,600,000 |
| Electronic filing fee fund | | 8,500,000 |
| State general fund/general purpose | $ | 10,375,700 |
| **Sec. 110. ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Full-time equated exempted positions ... 11.0 | | |
| Medication assisted treatment pilot program | $ | 750,000 |
| Compliance with Montgomery v Louisiana decision—11.0 FTE positions | | 700,000 |
| Expansion of problem solving courts | | 250,000 |
| GROSS APPROPRIATION | $ | 1,700,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 1,700,000 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $281,943,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is $137,778,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

JUDICIARY

SUPREME COURT

| | | |
|---|---|---|
| State court administrative office | $ | 711,900 |
| Drug treatment courts | | 11,083,000 |
| Mental health courts and diversion services | | 5,462,700 |
| Veterans courts | | 500,000 |
| Swift and sure sanctions program | | 3,900,000 |
| Next generation Michigan court system | | 4,116,000 |

| | | |
|---|---|---|
| TRIAL COURT OPERATIONS | | |
| Court equity fund reimbursements | $ | 60,815,700 |
| Judicial technology improvement fund | | 4,815,000 |
| Drunk driving case-flow program | | 3,300,000 |
| Drug case-flow program | | 250,000 |
| Juror compensation reimbursement | | 6,600,000 |
| JUSTICES' AND JUDGES' COMPENSATION | | |
| District court judicial salary standardization | $ | 11,008,100 |
| Probate court judges' state base salaries | | 9,770,600 |
| Probate court judicial salary standardization | | 4,669,600 |
| Circuit court judicial salary standardization | | 9,796,400 |
| Grant to OASI contribution fund, employers share, social security | | 979,000 |
| TOTAL | $ | 137,778,000 |

Sec. 202. (1) The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds appropriated in part 1 to an entity within the judicial branch shall not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall immediately make the expenditure or transfer. The authorized judicial entity agent shall be designated by the chief justice of the supreme court.

Sec. 203. As used in this part and part 1:

(a) "DOJ" means the United States Department of Justice.

(b) "DOT" means the United States Department of Transportation.

(c) "FTE" means full-time equated.

(d) "HHS" means the United States Department of Health and Human Services.

(e) "IDG" means interdepartmental grant.

(f) "OASI" means old age survivor's insurance.

(g) "SADO" means the state appellate defender office created under the appellate defender act, 1978 PA 620, MCL 780.711 to 780.719.

(h) "Title IV-D" means the part of the federal social security act, 42 USC 301 to 1397mm, pertaining to the child support enforcement program.

(i) "Title IV-E" means the part of the federal social security act, 42 USC 301 to 1397mm, pertaining to the foster care program.

Sec. 204. The judicial branch shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 205. It is the intent of the legislature that judges who are presiding over a hearing on a foster care case shall publicly acknowledge and request the input of the foster parent or foster parents during the hearing.

Sec. 207. If the judicial branch makes any changes to a foster care family service plan before its finalization, it is the intent of the legislature that the presiding judge provide an explanation for any changes to that plan in the court record.

Sec. 208. The reporting requirements of this part shall be completed with the approval of, and at the direction of, the supreme court, except as otherwise provided in this part. The judicial branch shall use the Internet to fulfill the reporting requirements of this part. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 211. From the funds appropriated in part 1, the state court administrative office shall evaluate programs within the department of health and human services and the department of talent and economic development to establish programmatic connections with the participants in the swift and sure sanctions program. The purpose of this relationship is to leverage collaborations and to determine avenues of success for offenders who are eligible for state-provided programs. By March 1, the state court administrative office shall deliver guidance to courts participating in the swift and sure sanctions program under the probation swift and sure sanctions act, chapter XIA of the code of criminal procedure, 1927 PA 175, MCL 771A.1 to 771A.8, detailing the evaluations and directing participants into available programming.

Sec. 212. The judicial branch shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The judicial branch may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 215. Not later than January 1 of each year, the state court administrative office shall prepare a report on out-of-state travel listing all travel by judicial branch employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the budget for the judicial branch. The report shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

(b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 219. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 221. From the funds appropriated in part 1, the judicial branch shall maintain a searchable website accessible by the public at no cost that includes all expenditures made by the judicial branch within a fiscal year. The posting shall include the purpose for which each expenditure is made. The judicial branch shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that financial information.

Sec. 222. Within 14 days after the release of the executive budget recommendation, the judicial branch shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees chairs, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2016 and September 30, 2017.

Sec. 223. The judiciary shall maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the judiciary's performance.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $14,104,600.00. From this amount, total judiciary appropriations for pension-related legacy costs are estimated at $7,820,600.00. Total appropriations for judiciary retiree health care legacy costs are estimated at $6,284,000.00.

**JUDICIAL BRANCH**

Sec. 301. From the funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service, including development of future versions of case management systems.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, $711,900.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and for costs associated with the court of claims.

Sec. 306. By February 1, the state court administrative office shall produce a statistical report, categorized by county, regarding both the collected and uncollected amounts of restitution payments, court fees, and any other applicable judgments placed upon persons within the county, reported for the year 2015.

Sec. 307. From the funds appropriated in part 1 for mental health courts and diversion services, $1,730,000.00 is intended to address the recommendations of the mental health diversion council.

Sec. 308. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation. If an appropriation is made under this section, the state court administrative office shall notify, within 14 days of the appropriation, the senate and house standing committees on appropriations, the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget office.

Sec. 309. By April 1, the state court administrative office shall provide a report on drug treatment, mental health, and veterans court programs in this state. The report shall include information on the number of each type of program that has been established, the number of program participants in each jurisdiction, and the impact of the programs on offender criminal involvement and recidivism. The report shall be submitted to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget director.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts as that term is defined in section 1060 of the revised judicature act of 1961, 1961 PA 236, MCL 600.1060, shall be administered by the state court administrative office to operate drug treatment court programs. A drug treatment court shall be responsible for handling cases involving substance abusing nonviolent offenders through comprehensive supervision, testing, treatment services, and immediate

sanctions and incentives. A drug treatment court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorneys, defense attorneys, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

(2) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the Michigan judicial institute to provide in-state training for those identified in subsection (1), including training for new drug treatment court judges.

(3) For drug treatment court grants, consideration for priority may be given to those courts where higher instances of substance abuse cases are filed.

(4) The judiciary shall receive $1,500,000.00 in Byrne formula grant funding as an interdepartmental grant from the department of state police to be used for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders in collaboration with the department of corrections.

Sec. 312. From the funds appropriated in part 1, the state court administrator shall produce a statistical report regarding the implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors seeking court-issued waivers of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted under that act.

Sec. 317. Funds appropriated in part 1 shall not be used for the permanent assignment of state-owned vehicles to justices or judges or any other judicial branch employee. This section does not preclude the use of state-owned motor pool vehicles for state business in accordance with approved guidelines.

Sec. 320. (1) From the funds appropriated in part 1 for the swift and sure sanctions program, created under section 3 of chapter XIA of the code of criminal procedure, 1927 PA 175, MCL 771A.3, the state court administrative office shall administer a program to distribute grants to qualifying courts in accordance with the objectives and requirements of the probation swift and sure sanctions act, chapter XIA of the code of criminal procedure, 1927 PA 175, MCL 771A.1 to 771A.8. Of the $4,000,000.00 designated for the program, not more than $100,000.00 shall be available to the state court administrative office to pay for employee costs associated with the administration of the program funds. Of the funds designated for the program, $500,000.00 is reserved for programs in counties that had more than 325 individuals sentenced to prison in the previous calendar year. Courts interested in participating in the swift and sure sanctions program may apply to the state court administrative office for a portion of the funds appropriated in part 1 under this section.

(2) By April 1, the state court administrative office shall provide a report on the courts that receive funding under the swift and sure sanctions program described in subsection (1) to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget director. The report shall include all of the following:

(a) The number of offenders who participate in the program.

(b) The criminal history of offenders who participate in the program.

(c) The recidivism rate of offenders who participate in the program, including the rate of return to jail, prison, or both.

(d) A detailed description of the establishment and parameters of the program.

(3) As used in this section, "program" means a swift and sure sanctions program described in subsection (1).

Sec. 321. From the funds appropriated in part 1, the judicial branch shall support a statewide legal self-help Internet website and local nonprofit self-help centers that use the statewide website to provide assistance to individuals representing themselves in civil legal proceedings. The state court administrative office shall summarize the costs of maintaining the website, provide statistics on the number of people visiting the website, and provide information on content usage, form completion, and user feedback. By March 1, the state court administrative office shall report this information for the preceding fiscal year to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget director.

Sec. 322. If Byrne formula grant funding is awarded to the state appellate defender, the state appellate defender office may receive and expend Byrne formula grant funds in an amount not to exceed $250,000.00 as an interdepartmental grant from the department of state police. If the appellate defender appointed under section 3 of the appellate defender act, 1978 PA 620, MCL 780.713, receives federal grant funding from the United States Department of Justice in excess of the amount appropriated in part 1, the office of appellate defender may receive and expend grant funds in an amount not to exceed $300,000.00 as other federal grants.

Sec. 322a. If Byrne formula grant funding is awarded to the Michigan indigent defense commission, the Michigan indigent defense commission may receive and expend Byrne formula grant funds in an amount not to exceed $250,000.00 as an interdepartmental grant from the department of state police. The Michigan indigent defense commission, created under section 5 of the Michigan indigent defense commission act, 2013 PA 93, MCL 780.985, may receive and expend federal grant funding from the United States Department of Justice in an amount not to exceed $300,000.00 as other federal grants.

Sec. 323. The state court administrative office shall provide courts with a quarterly listing of out-of-state placements of juveniles by each court. The state court administrative office shall also provide each judge who hears juvenile matters with the annual listing of per diem costs of the public and private residential care facilities located or doing business in this state, and the recidivism data for each facility, if available, as provided by the department of health and human services. The courts shall acknowledge receipt of this information.

Sec. 324. (1) From the increased funds appropriated in part 1 for the Michigan indigent defense commission, the commission shall increase the total number of staff and begin bringing the Michigan criminal defense system into compliance with the right to counsel requirements of amendment VI of the constitution of the United States and section 20 of article I of the state constitution of 1963. The purpose of this program expansion is to implement minimum standards, rules, and procedures to guarantee the right of indigent defendants to the assistance of proficient counsel, collect comprehensive data from all indigent defense systems and attorneys providing indigent defense, and monitor and audit county compliance plans.

(2) The commission shall identify specific outcomes and performance measures for this initiative based on the minimum standards approved by the supreme court, including, but not limited to, the following:

(a) Monitoring the success of approved minimum standards, including increased training and education of trial-level defense attorneys, prompt meetings between attorneys and clients, increased access to and use of experts and investigators, and increased use of counsel at first appearance.

(b) The commission shall collect data on the standards approved by the supreme court and shall work to identify metrics associated with the improved standards.

(c) Monitoring the number of first-time offenders sentenced to serve prison time within the department of corrections to determine if there is a measurable decline as a result of the standards approved by the supreme court, including training and education requirements, required meetings between client and counsel, increased use of experts and investigators, and the provision of attorneys at first appearance.

Sec. 325. From the funds appropriated in part 1, the Michigan indigent defense commission shall submit a report by September 30 to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget director on the incremental costs associated with the standard development process, the compliance plan process, and the collection of data from all indigent defense systems and attorneys providing indigent defense. Particular emphasis shall be placed on those costs that may be avoided after standards are developed and compliance plans are in place.

**ONE-TIME APPROPRIATIONS**

Sec. 401. From the funds appropriated in part 1 for drug treatment courts, the judiciary shall increase funding available for establishing problem-solving courts. The purpose of this program expansion is to increase the number of participants and to decrease recidivism rates.

Sec. 402. (1) The state appellate defender office attorneys and support staff shall increase to ensure Michigan compliance with Montgomery v Louisiana, 577 US _____ (2016). The purpose of the program expansion is to ensure competent, resourced, and supervised counsel in cases involving the resentencing of juvenile lifers. The representation by SADO counsel will create opportunities for release, saving prison costs for the state.

(2) From the funds appropriated in part 1, the state appellate defender office shall submit a report by September 30 to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget director on the number of juvenile lifer cases investigated and prepared by the state appellate defender office. The report shall include a calculation of hours spent and focus on incremental costs associated with investigating and conducting a robust examination of each case, with particular emphasis on those costs that may be avoided after the cases have been disposed.

Sec. 403. From the funds appropriated in part 1 for the medication-assisted treatment pilot, the judiciary shall establish a medication-assisted treatment pilot program to provide treatment for opioid-addicted and alcohol-addicted individuals who are referred to and voluntarily participate in the medication-assisted treatment pilot program.

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2017 consensus revenue estimating conference.

ARTICLE XIII

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of licensing and regulatory affairs for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

APPROPRIATION SUMMARY

| | | |
|---|---|---|
| Full-time equated unclassified positions | 57.5 | |
| Full-time equated classified positions | 2,170.3 | |
| GROSS APPROPRIATION | | $ 418,062,400 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | $ 46,923,800 |
| ADJUSTED GROSS APPROPRIATION | | $ 371,138,600 |
| Federal revenues: | | |
| Total federal revenues | | 63,818,100 |
| Special revenue funds: | | |
| Total local revenues | | 251,600 |
| Total private revenues | | 111,800 |
| Total other state restricted revenues | | 263,236,000 |
| State general fund/general purpose | | 43,721,100 |
| State general fund/general purpose schedule: | | |
| Ongoing state general fund/general purpose | 40,321,100 | |
| One-time state general fund/general purpose | 3,400,000 | |
| **Sec. 102. DEPARTMENTAL ADMINISTRATION** | | |
| Full-time equated unclassified positions | 57.5 | |
| Full-time equated classified positions | 108.0 | |
| Unclassified salaries—57.5 FTE positions | | $ 4,861,800 |
| Executive director programs—24.0 FTE positions | | 3,239,700 |
| Financial and administrative services—77.0 FTE positions | | 8,634,300 |
| Office for new Americans—4.0 FTE positions | | 465,600 |
| FOIA coordination—2.0 FTE positions | | 308,200 |
| Local community stabilization authority—1.0 FTE position | | 151,600 |
| Property management | | 11,852,400 |
| Information technology services and projects | | 21,424,300 |
| Worker's compensation | | 465,300 |
| GROSS APPROPRIATION | | $ 51,403,200 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG-DIFS, accounting services | | 150,000 |
| IDG-TED unemployment hearings | | 568,900 |
| Federal revenues: | | |
| DED-vocational rehabilitation and independent living | | 2,121,500 |
| DOE-heating oil and propane | | 25,000 |
| DOL-occupational safety and health | | 1,001,100 |
| EPA-underground storage tanks | | 128,800 |
| HHS-Medicaid, certification of health care providers and suppliers | | 724,600 |
| HHS-Medicare, certification of health care providers and suppliers | | 1,190,400 |
| Special revenue funds: | | |
| Local stabilization authority contract | | 151,600 |
| Aboveground storage tank fees | | 146,500 |
| Accountancy enforcement fund | | 67,100 |
| Asbestos abatement fund | | 182,400 |
| Boiler inspection fund | | 643,400 |
| Builder enforcement fund | | 99,500 |
| Construction code fund | | 1,676,600 |
| Corporation fees | | 8,713,000 |
| Elevator fees | | 697,400 |
| Fire alarm fees | | 5,400 |
| Fire safety standard and enforcement fund | | 1,100 |
| Fire service fees | | 778,300 |
| Fireworks safety fund | | 94,100 |
| Health professions regulatory fund | | 2,736,000 |
| Health systems fees | | 454,700 |
| Licensing and regulation fund | | 3,122,900 |
| Liquor license revenue | | 300,000 |
| Liquor purchase revolving fund | | 7,187,800 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Michigan medical marihuana fund | | $ 934,500 |
| Michigan unarmed combat fund | | 12,700 |
| Mobile home code fund | | 616,100 |
| Nurse professional fund | | 37,700 |
| PMECSEMA fund | | 221,600 |
| Private occupational school license fees | | 165,700 |
| Property development fees | | 6,100 |
| Public utility assessments | | 4,088,100 |
| Radiological health fees | | 304,200 |
| Real estate appraiser education fund | | 6,300 |
| Real estate education fund | | 15,200 |
| Real estate enforcement fund | | 10,100 |
| Restructuring mechanism assessments | | 51,000 |
| Retired engineers technical assistance program fund | | 7,000 |
| Safety education and training fund | | 1,442,300 |
| Second injury fund | | 407,300 |
| Securities fees | | 4,723,700 |
| Securities investor education and training fund | | 14,500 |
| Security business fund | | 3,200 |
| Self-insurers security fund | | 263,500 |
| Silicosis and dust disease fund | | 182,200 |
| Survey and remonumentation fund | | 142,200 |
| Tax tribunal fund | | 1,656,900 |
| Underground storage tank fees | | 356,600 |
| Utility consumer representation fund | | 54,000 |
| Worker's compensation administrative revolving fund | | 101,900 |
| State general fund/general purpose | | $ 2,610,500 |
| **Sec. 103. ENERGY AND UTILITY PROGRAMS** | | |
| Full-time equated classified positions | 187.0 | |
| Michigan agency for energy—55.0 FTE positions | | $ 12,516,000 |
| Public service commission—132.0 FTE positions | | 22,395,500 |
| GROSS APPROPRIATION | | $ 34,911,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| DOE-heating oil and propane | | 3,775,000 |
| DOT-gas pipeline safety | | 1,445,500 |
| EPA-pollution prevention | | 84,000 |
| Special revenue funds: | | |
| Public utility assessments | | 27,773,600 |
| Restructuring mechanism assessments | | 607,200 |
| Retired engineers technical assistance program fund | | 669,600 |
| State general fund/general purpose | | $ 556,600 |
| **Sec. 104. LIQUOR CONTROL COMMISSION** | | |
| Full-time equated classified positions | 143.0 | |
| Management support services—28.0 FTE positions | | $ 4,419,800 |
| Liquor licensing and enforcement—115.0 FTE positions | | 15,320,100 |
| GROSS APPROPRIATION | | $ 19,739,900 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Direct shipper enforcement revolving fund | | 126,800 |
| Liquor license fee enhancement fund | | 76,400 |
| Liquor license revenue | | 7,416,100 |
| Liquor purchase revolving fund | | 12,120,600 |
| State general fund/general purpose | | $ 0 |
| **Sec. 105. OCCUPATIONAL REGULATION** | | |
| Full-time equated classified positions | 1,031.9 | |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Bureau of fire services—78.0 FTE positions | $ | 11,143,500 |
| Bureau of construction codes—176.0 FTE positions | | 22,081,800 |
| Corporations, securities, and commercial licensing bureau—118.0 FTE positions | | 15,528,300 |
| Bureau of community and health systems—429.9 FTE positions | | 61,112,000 |
| Medical marihuana program—20.0 FTE positions | | 4,253,300 |
| Bureau of professional licensing—210.0 FTE positions | | 40,182,300 |
| GROSS APPROPRIATION | $ | 154,301,200 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG-MDE, child care licensing | | 16,626,500 |
| Federal revenues: | | |
| DHS-fire training systems | | 28,000 |
| DOT-hazardous materials training and planning | | 60,000 |
| EPA-underground storage tanks | | 800,000 |
| HHS-Medicaid, certification of health care providers and suppliers | | 9,191,700 |
| HHS-Medicare, certification of health care providers and suppliers | | 12,352,500 |
| Special revenue funds: | | |
| Aboveground storage tank fees | | 455,900 |
| Accountancy enforcement fund | | 408,300 |
| Boiler inspection fund | | 3,819,200 |
| Builder enforcement fund | | 484,300 |
| Construction code fund | | 7,743,900 |
| Corporation fees | | 7,014,000 |
| Distance education fund | | 300,000 |
| Elevator fees | | 4,858,300 |
| Fire alarm fees | | 125,400 |
| Fire safety standard and enforcement fund | | 40,000 |
| Fire service fees | | 2,500,200 |
| Fireworks safety fund | | 696,200 |
| Health professions regulatory fund | | 23,805,900 |
| Health systems fees | | 3,702,100 |
| Licensing and regulation fund | | 11,540,800 |
| Liquor purchase revolving fund | | 143,200 |
| Michigan medical marihuana fund | | 4,253,300 |
| Michigan unarmed combat fund | | 145,000 |
| Mobile home code fund | | 3,017,100 |
| Nurse professional fund | | 1,963,800 |
| Nursing home administrative penalties | | 202,300 |
| PMECSEMA fund | | 1,847,700 |
| Private occupational school license fees | | 706,300 |
| Property development fees | | 318,100 |
| Real estate appraiser education fund | | 64,000 |
| Real estate education fund | | 343,900 |
| Real estate enforcement fund | | 704,400 |
| Securities fees | | 4,982,800 |
| Securities investor education and training fund | | 501,200 |
| Security business fund | | 340,100 |
| Survey and remonumentation fund | | 850,100 |
| Underground storage tank fees | | 2,561,100 |
| State general fund/general purpose | $ | 24,803,600 |
| **Sec. 106. EMPLOYMENT SERVICES** | | |
| Full-time equated classified positions ..... 464.4 | | |
| Workers' compensation agency—56.0 FTE positions | $ | 7,832,200 |
| Insurance funds administration—23.0 FTE positions | | 5,240,200 |
| Compensation supplement fund | | 1,820,000 |
| Bureau of services for blind persons—113.0 FTE positions | | 24,639,400 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Bureau of employment relations—22.0 FTE positions | $ | 4,198,900 |
| Michigan occupational safety and health administration—197.0 FTE positions | | 29,052,100 |
| Radiation safety section—21.4 FTE positions | | 3,231,800 |
| Wage and hour program—32.0 FTE positions | | 3,728,100 |
| GROSS APPROPRIATION | $ | 79,742,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| DED-vocational rehabilitation and independent living | | 18,437,600 |
| DOL-occupational safety and health | | 11,785,200 |
| HHS-mammography quality standards | | 513,300 |
| Special revenue funds: | | |
| Local revenues - blind services | | 100,000 |
| Private revenues - blind services | | 111,800 |
| Asbestos abatement fund | | 1,027,500 |
| Corporation fees | | 9,432,400 |
| Michigan business enterprise program fund | | 400,000 |
| Radiological health fees | | 2,718,500 |
| Safety education and training fund | | 9,728,600 |
| Second injury fund | | 2,589,400 |
| Securities fees | | 8,634,900 |
| Self-insurers security fund | | 1,562,500 |
| Silicosis and dust disease fund | | 1,088,300 |
| Worker's compensation administrative revolving fund | | 1,652,900 |
| State general fund/general purpose | $ | 9,959,800 |
| **Sec. 107. MICHIGAN ADMINISTRATIVE HEARING SYSTEM** | | |
| Full-time equated classified positions ... 233.0 | | |
| Michigan administrative hearing system—215.0 FTE positions | $ | 37,948,700 |
| Michigan compensation appellate commission—18.0 FTE positions | | 4,606,100 |
| GROSS APPROPRIATION | $ | 42,554,800 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG-TED unemployment hearings | | 4,268,500 |
| IDG revenues - administrative hearings and rules | | 25,309,900 |
| Federal revenues: | | |
| Federal revenues - administrative hearings and rules | | 153,900 |
| Special revenue funds: | | |
| Corporation fees | | 202,700 |
| State restricted revenue - administrative hearings and rules | | 11,793,400 |
| Worker's compensation administrative revolving fund | | 134,900 |
| State general fund/general purpose | $ | 691,500 |
| **Sec. 108. ETHNIC COMMISSIONS** | | |
| Full-time equated classified positions ... 3.0 | | |
| Hispanic/Latino commission of Michigan—1.0 FTE position | $ | 261,000 |
| Asian Pacific American affairs commission—1.0 FTE position | | 112,400 |
| Commission on Middle Eastern American affairs—1.0 FTE position | | 100,000 |
| GROSS APPROPRIATION | $ | 473,400 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State general fund/general purpose | $ | 473,400 |
| **Sec. 109. DEPARTMENT GRANTS** | | |
| Fire protection grants | $ | 9,273,900 |
| Firefighter training grants | | 2,000,000 |
| Liquor law enforcement grants | | 7,200,000 |
| Medical marihuana operation and oversight grants | | 3,000,000 |
| Remonumentation grants | | 7,300,000 |
| Subregional libraries state aid | | 451,800 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Utility consumer representation fund | $ | 750,000 |
| GROSS APPROPRIATION | $ | 29,975,700 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Fire protection fund | | 8,500,000 |
| Fireworks safety fund | | 2,000,000 |
| Liquor license revenue | | 7,200,000 |
| Michigan medical marihuana fund | | 3,000,000 |
| Survey and remonumentation fund | | 7,300,000 |
| Utility consumer representation fund | | 750,000 |
| State general fund/general purpose | $ | 1,225,700 |
| **Sec. 110. ONE-TIME BASIS ONLY** | | |
| Fire protection grants enhancement - one-time | $ | 3,400,000 |
| Liquor control commission IT upgrades | | 1,560,000 |
| GROSS APPROPRIATION | $ | 4,960,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Liquor purchase revolving fund | | 1,560,000 |
| State general fund/general purpose | $ | 3,400,000 |

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $306,957,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is $32,625,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

| | | |
|---|---|---|
| Fire protection grants | $ | 9,273,900 |
| Firefighter training grants | | 2,000,000 |
| Liquor law enforcement grants | | 7,200,000 |
| Medical marihuana operation and oversight grants | | 3,000,000 |
| Remonumentation grants | | 7,300,000 |
| Subregional libraries state aid | | 451,800 |
| Fire protection grants enhancement one-time | | 3,400,000 |
| Total department of licensing and regulatory affairs | $ | 32,625,700 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "DED" means the United States Department of Education.
(b) "Department" means the department of licensing and regulatory affairs.
(c) "DHHS" means the Michigan department of health and human services.
(d) "DHS" means the United States Department of Homeland Security.
(e) "DIFS" means the department of insurance and financial services.
(f) "Director" means the director of the department.
(g) "DOE" means the United States Department of Energy.
(h) "DOL" means the United States Department of Labor.
(i) "DOT" means the United States Department of Transportation.
(j) "EPA" means the United States Environmental Protection Agency.
(k) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
(*l*) "FOIA" means the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
(m) "FTE" means full-time equated.
(n) "HHS" means the United States Department of Health and Human Services.
(o) "IDG" means interdepartmental grant.
(p) "IT" means information technology.
(q) "MDE" means the Michigan department of education.

(r) "PMECSEMA" means pain management education and controlled substances electronic monitoring and antidiversion.

(s) "Subcommittees" means the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

(t) "TED" means the Michigan department of talent and economic development.

Sec. 204. The departments and agencies receiving appropriations in this part and part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 205. Funds appropriated in this part and part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. (1) Out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

(3) Not later than January 1, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include all of the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 208. Funds appropriated in this part and part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the fiscal agencies.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for federal contingency funds.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $25,000,000.00 for state restricted contingency funds.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for local contingency funds.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $500,000.00 for private contingency funds.

(5) Funds appropriated pursuant to this section are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the subcommittees chairs, and the fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the preceding and current fiscal years.

Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $53,627,900.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $29,735,200.00. Total agency appropriations for retiree health care legacy costs are estimated at $23,892,700.00.

Sec. 215. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 217. The department and agencies receiving appropriations in this part and part 1 shall receive and retain copies of all reports funded from appropriations in this part and part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies or reports unless otherwise required by federal and state guidelines.

Sec. 218. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 219. The department shall not develop or produce any television or radio productions.

Sec. 220. The department, in conjunction with the department of health and human services, shall maintain an accounting structure within the Michigan administrative information network that will allow expenditures associated with the administration of the Healthy Michigan plan to be identified. By October 1, if there are changes from the previous fiscal year, the department shall provide the state budget office and the fiscal agencies with the relevant accounting structure and associated business objects script and report that group's administrative costs.

Sec. 221. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. Within 14 days after the receipt of federal pass-through funds, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of pass-through funds appropriated under this section.

Sec. 222. (1) Grants supported with private revenues received by the department are appropriated upon receipt and are available for expenditure by the department, subject to subsection (3), for purposes specified within the grant agreement and as permitted under state and federal law.

(2) Within 10 days after the receipt of a private grant appropriated in subsection (1), the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of the receipt of the grant, including the fund source, purpose, and amount of the grant.

(3) The amount appropriated under subsection (1) shall not exceed $1,500,000.00.

Sec. 223. (1) The department may charge registration fees to attendees of informational, training, or special events sponsored by the department.

(2) These fees shall reflect the costs for the department to sponsor the informational, training, or special events.

(3) Revenue generated by the registration fees is appropriated upon receipt and available for expenditure to cover the department's costs of sponsoring informational, training, or special events.

(4) Revenue generated by registration fees in excess of the department's costs of sponsoring informational, training, or special events shall carry forward to the subsequent fiscal year and not lapse to the general fund.

(5) The amount appropriated under subsection (3) shall not exceed $500,000.00.

Sec. 224. The department may make available to interested entities otherwise unavailable 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 is appropriated when received and 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 lapse to the appropriate restricted fund.

Sec. 225. (1) The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. In addition to the funds appropriated in part 1, these funds are available for expenditure when they are received by the department of treasury. This subsection applies only for the following documents:

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

(b) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(c) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2350; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to 451.2703.

(d) Worker's compensation health care services rules.

(e) Construction code manuals.

(f) Copies of transcripts from administrative law hearings.

(2) In addition to the funds appropriated in part 1, funds appropriated for the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution.

(3) Unexpended funds at the end of the fiscal year shall carry forward to the subsequent fiscal year and not lapse to the general fund.

Sec. 226. (1) No later than March 1, the department shall submit a report to the subcommittees and fiscal agencies pertaining to licensing and regulatory programs during the previous fiscal year for the following agencies:

(a) Public service commission.

(b) Liquor control commission.

(c) Bureau of fire services.

(d) Bureau of construction codes.

(e) Corporations, securities, and commercial licensing bureau.

(f) Bureau of professional licensing.

(g) Bureau of community and health systems.

(h) Michigan occupational safety and health administration.

(2) The report shall be in a format that is consistent between the agencies listed in subsection (1) and shall provide, but is not limited to, the following information, as applicable, for each agency in subsection (1):

(a) Revenue generated by and expenditures disbursed for each regulatory product.

(b) Number of applications, both initial and renewal, for each regulatory product.

(c) Number of applications, both initial and renewal, approved for each regulatory product.

(d) Number of applications, both initial and renewal, denied for each regulatory product.

(e) Average amount of time, both tolled and untolled, to approve or deny applications, both initial and renewal, for each regulatory product.

(f) Number of examinations proctored for initial applications for each regulatory product.

(g) Number of complaints received pertaining to each regulated activity.

(h) Number of investigations opened pertaining to each regulated activity.

(i) Number of investigations closed pertaining to each regulated activity.

(j) Average amount of time to close investigations pertaining to each regulated activity.

(k) Number of enforcement actions pertaining to each regulated activity.

(*l*) Number of administrative hearings pertaining to each regulated activity.

(m) Number of administrative hearing adjudications pertaining to each regulated activity.

(n) The type and amount of each fee charged to support each regulated activity.

(3) As used in subsection (2), "regulatory product" means licensure, certification, registration, inspection, review, permitting, approval, or any other regulatory service provided by the agencies specified in subsection (1) for each regulated activity. As used in this subsection and subsection (2), "regulated activity" means the particular activities, entities, facilities, and industries regulated by the agencies specified in subsection (1).

Sec. 227. It is the intent of the legislature that the department establish an employee performance monitoring process that is consistent throughout the department in addition to current civil service commission evaluations. By April 1, the department shall submit a report to the state budget office, the subcommittees, and the fiscal agencies on changes to the employee performance monitoring process that are planned or implemented.

**ENERGY AND UTILITY PROGRAMS**

Sec. 301. (1) From the funds appropriated in part 1, the Michigan agency for energy and the Michigan public service commission shall explore policies relating to carbon dioxide capture from industrial sources and the use and sequestration of captured carbon dioxide in enhanced oil recovery that improve our regulatory structure to create an environment that fosters job growth and the utilization of all available energy sources, including, but not limited to, natural gas, petroleum, and crude oil.

(2) By April 1, the Michigan agency for energy shall report to the subcommittees, fiscal agencies, and house and senate standing committees covering energy issues its findings from the exploration under subsection (1).

**LIQUOR CONTROL COMMISSION**

Sec. 401. The liquor control commission shall utilize funds appropriated from the liquor purchase revolving fund to invest in technology upgrades in an effort to mitigate delays for issuing licenses under section 503 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1503. It is the intent of the legislature that the commission utilize free software to mitigate these delays, if such a product is available.

Sec. 402. The liquor control commission shall expend the funds as required under section 203(10) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1203, to investigate and audit unlawful direct shipments of wine by unlicensed wineries and retailers. The liquor control commission shall provide a report to the legislature and the subcommittees detailing the commission's activities to investigate and audit the illegal shipping of wine and the results of these activities. The report shall also include the estimated loss of sales, excise, and use tax revenue for the state of Michigan as a result of illegal shipments of wine. The report shall be submitted by February 1.

**OCCUPATIONAL REGULATION**

Sec. 501. Money appropriated under this part and part 1 for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

Operation and maintenance inspection fee

| Facility type | Facility size | Fee |
|---|---|---|
| Hospitals | Any | $8.00 per bed |

Plan review and construction inspection fees for hospitals and schools

| Project cost range | Fee |
|---|---|
| $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 $10,000,000.00 | $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. |

Sec. 502. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year.

Sec. 503. No later than February 15, the department shall submit a report to the subcommittees, fiscal agencies, and state budget director providing the following information:

(a) The number of honorably discharged veterans, individually or if a majority interest of a corporation or limited liability company, that were exempted from paying licensure, registration, filing, or any other fees collected under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.

(b) The specific fees and total amount of revenue exempted under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.

(c) The actual costs of providing licensing and other regulatory services to veterans exempted from paying licensure, registration, filing, or any other fees during the preceding fiscal year and a description of how these costs were calculated.

(d) The estimated amount of revenue that will be exempted under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau in both the current and subsequent fiscal years and a description of how the exempted revenue was estimated.

Sec. 505. (1) 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.

(2) Not later than April 1, the department shall submit to the subcommittees and fiscal agencies a report on the revenues, expenditures, and balance of the homeowner construction lien recovery fund as of the end of the previous fiscal year.

Sec. 507. The department shall submit a report by January 31 to the standing committees on appropriations of the senate and house of representatives, the fiscal agencies, and the state budget director that includes all of the following information for the prior fiscal year regarding the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430:

(a) The number of initial applications received.

(b) The number of initial applications approved and the number of initial applications denied.

(c) The average amount of time, from receipt to approval or denial, to process an initial application.

(d) The number of renewal applications received.

(e) The number of renewal applications approved and the number of renewal applications denied.

(f) The average amount of time, from receipt to approval or denial, to process a renewal application.

(g) The percentage of initial applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.

(h) The percentage of renewal applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.

(i) The percentage of registry cards for approved initial applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.

(j) The percentage of registry cards for approved renewal applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.

(k) The number of registry identification cards issued to or renewed for patients residing in each county as of September 30 of the preceding fiscal year under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

(*l*) The amount collected from the medical marihuana program application and renewal fees authorized in section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.

(m) The costs of administering the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

Sec. 508. If the revenue collected by the department for health systems administration or radiological health administration and projects from fees and collections exceeds the amount appropriated 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. 511. No later than February 1, the department shall submit a report to the subcommittees, fiscal agencies, and state budget director providing the following information:

(a) The total amount of reimbursements made to local units of government for delegated inspections of fireworks retail locations pursuant to section 11 of the Michigan fireworks safety act, 2011 PA 256, MCL 28.461, from the funds appropriated in part 1 for the bureau of fire services during the preceding fiscal year.

(b) The amount of reimbursement for delegated inspections of fireworks retail locations for each local unit of government that received reimbursement from the funds appropriated in part 1 for the bureau of fire services during the preceding fiscal year.

Sec. 513. (1) Beginning October 1, for the purpose of defraying the costs associated with responding to false final inspection appointments and to discourage the practice of calling for final inspections when the project is incomplete or noncompliant with a plan of correction previously provided by the bureau of fire services, the bureau of fire services may assess a fee not to exceed $200.00 for responding to confirmed false inspection appointments. Fees collected under this section shall be deposited into the restricted account referenced by section 2c(2) of the fire prevention code, 1941 PA 207, MCL 29.2c, and explicitly identified within the Michigan administrative information network.

(2) Not later than September 30, the department shall prepare a report that provides the amount of the fee assessed under subsection (1), the number of fees assessed and issued per region, the cost allocation for the work performed and reduced as a result of this section, and any recommendations for consideration by the legislature. The department shall submit this information to the state budget director, the subcommittees, and the fiscal agencies.

Sec. 515. (1) The department shall assess and collect fees in the licensing and regulation of child care organizations, as described in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities, as described in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737.

(2) The department shall report the total amount of fees assessed and collected under subsection (1) during the preceding fiscal year to the fiscal agencies no later than December 1 and shall provide information requested by the fiscal agencies as they consider necessary to shift authorization equivalent to that amount from the general fund/general purpose to a state restricted fund within the department's budget for fiscal year 2017-2018.

Sec. 516. (1) It is the intent of the legislature that the department establish a consistent method of performing and tracking inspections of wood products manufacturing facilities.

(2) By February 1, the department shall submit a report to the subcommittees and fiscal agencies pertaining to recently conducted inspections that shall contain all of the following regarding wood products manufacturing facilities:

(a) The number of on-site MIOSHA inspections conducted during the prior fiscal year.

(b) The list of all inspections conducted, including the name and location of each business.

(c) The summary of the results of each inspection, including any citations issued.

(d) The number of the fatalities in the prior calendar year.

(e) The number of occupational injuries and illnesses related to wood products manufacturing in the prior 2 calendar years.

(f) The injury and illness rate for the industry as a whole during the prior 2 calendar years.

(g) The percentage of MIOSHA inspection cases that had citations from the prior fiscal year.

(h) The average number of citations per MIOSHA inspection in the prior fiscal year.

(i) The average penalty per MIOSHA inspection for inspections with penalties during the prior fiscal year.

Sec. 517. (1) Not later than March 1, the department shall submit a report to the house and senate appropriations committees that includes the following:

(a) Items listed in section 519(3).

(b) The number of administrative actions against licensees for overprescribing, including the specialty certification and practice location of each prescriber.

(c) The number of administrative actions against licensees for overdispensing, including the dispensing location of each dispenser.

(d) The number of administrative actions taken against licensees for drug diversion.

(e) The number of prescribers who were notified as potentially overprescribing.

(f) A description of a plan the department will formulate with DHHS to notify at-risk patients that their prescriber has had his or her license suspended and to have available references for treatment.

(2) The department shall provide information on how a prescriber may obtain the most recent federal guidelines for prescribing opioids for chronic pain by the next renewal date for the license issued by the department.

Sec. 518. From the amount appropriated in part 1 for the bureau of community and health systems, upon receipt of the order of suspension of a licensed adult foster care home, home for the aged, or nursing home, the department shall serve the facility and provide contemporaneous notice to the offices of legislators representing a district where the licensed facility is situated.

Sec. 519. (1) From the funds appropriated in part 1 for the Michigan automated prescription system upgrades, the department shall provide improved efficiencies and functionality of the system for dispensers and prescribers as well as improved reporting capabilities to support safer prescribing practices.

(2) In addition to improved reporting capabilities, the department, as permissible by law, will consider releasing statistical and analytical information for statistical, research, or education purposes so long as it does not include or identify patient protected information.

(3) The department shall identify and report by November 30 of the subsequent fiscal year to the house and senate appropriations committees specific outcomes and performance metrics for this initiative, including, but not limited to, the following:

(a) Prescribers registered to the Michigan automated prescription system.

(b) Dispensers registered to the Michigan automated prescription system.

(c) Use of the Michigan automated prescription system by prescribers.

(d) Use of the Michigan automated prescription system by dispensers.

(e) Number of cases related to overprescribing, overdispensing, and drug diversion where the department took administrative action as a result of information and data generated from the Michigan automated prescription system.

(f) The number of integrations from the electronic health record systems used by prescribers and dispensers with the Michigan automated prescription system.

(g) Recommendations including, but not limited to, both of the following:

(*i*) Benefits of having direct integration from the electronic health record systems used by the prescribers and dispensers to the Michigan automated prescription system.

(*ii*) Cost estimate and funding required for this state to fund the implementation of the integration from the prescribers and dispensers electronic health record systems to the Michigan automated prescription system.

**EMPLOYMENT SERVICES**

Sec. 704. (1) The appropriation in part 1 for the bureau of services for blind persons includes funds for case services. These funds may be used for tuition payments for blind clients.

(2) Revenue collected by the bureau of services for blind persons and from private and local sources that is unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 705. The bureau of services for blind persons shall work collaboratively with service organizations and government entities to identify qualified match dollars to maximize use of available federal vocational rehabilitation funds.

Sec. 707. The bureau of services for blind persons may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. The department may charge fees for these services that are reasonably related to the cost of providing the services. In addition to the funds appropriated in part 1, funds collected by the department for these services are appropriated for all expenses necessary. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury.

**DEPARTMENT GRANTS**

Sec. 901. The appropriation in part 1 for fire protection grants shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

Sec. 902. (1) The department shall expend the funds appropriated in part 1 for medical marihuana operation and oversight grants for grants to county law enforcement offices for the operation and oversight of the Michigan medical marihuana program pursuant to section 6(*l*) of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426. These grants shall be distributed proportionately based on the number of registry identification cards issued to or renewed for the residents of each county whose county law enforcement office applied for a grant under subsection (2). For the purposes of this subsection, operation and oversight grants are for education, communication, and enforcement of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

(2) No later than December 1, the department shall post a listing of potential grant money available to each county law enforcement agency on its website. In addition, the department shall work collaboratively with county law enforcement agencies, the Michigan Sheriff's Association, and other representative law enforcement organizations regarding the availability of these grant funds. A county law enforcement agency requesting a grant shall apply on a form developed by the department and available on the website. The form shall contain the county law enforcement agency's specific projected plan for use of the money and its agreement to maintain all records and to submit documentation to the department to support the use of the grant money.

(3) In order to be eligible to receive a grant under subsection (1), a county law enforcement agency shall apply no later than January 1 and agree to report how the grant was expended and provide that report to the department no later than September 15. The department shall submit a report no later than October 15 of the subsequent fiscal year to the state budget director, the subcommittees, and the fiscal agencies detailing the grant amounts by recipient and the reported uses of the grants in the preceding fiscal year.

(4) County law enforcement agencies may distribute discretionary grants made under subsection (1) to municipal law enforcement agencies for the operation and oversight of the Michigan medical marihuana program pursuant to section 6(*l*) of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426. If a county law enforcement agency distributes a discretionary grant in this manner, that county law enforcement agency shall require the receiving municipal law enforcement agency to provide a report on how that grant was spent. Reports from municipal law enforcement agencies shall be included as part of the report submitted to the department as required in subsection (3).

Sec. 903. (1) The amount appropriated in part 1 for firefighter training grants shall only be expended for payments to counties to reimburse organized fire departments for firefighter training and other activities required under the firefighters training council act, 1966 PA 291, MCL 29.361 to 29.377.

(2) If the amount appropriated in part 1 for firefighter training grants is expended by the firefighter training council, established in section 3 of the firefighters training council act, 1966 PA 291, MCL 29.363, for payments to counties under section 14 of the firefighters training council act, 1966 PA 291, MCL 29.374, it is the intent of the legislature that:

(a) The amount appropriated in part 1 for firefighter training grants shall be allocated pursuant to section 14(2) of the firefighters training council act, 1966 PA 291, MCL 29.374.

(b) If the amount allocated to any county under subdivision (a) is less than $5,000.00, the amounts disbursed to each county under subdivision (a) shall be adjusted to provide for a minimum payment of $5,000.00 to each county.

(3) No later than February 1, the department shall submit a financial report to the subcommittees and fiscal agencies identifying the following information for the preceding fiscal year:

(a) The amount of the payments that would be made to each county if the distribution formula described by the first sentence of section 14(2) of the firefighters training council act, 1966 PA 291, MCL 29.374, would have been utilized to allocate the total amount appropriated in part 1 for firefighter training grants.

(b) The amount of the payments approved by the firefighter training council for allocation to each county.

(c) The amount of the payments actually expended or encumbered within each county.

(d) A description of any other payments or expenditures made under the authority of the firefighter training council.

(e) The amount of payments approved for allocations to counties that was not expended or encumbered and lapsed back to the fireworks safety fund.

Sec. 904. (1) The funds appropriated in part 1 for a regional or subregional library shall not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

(2) In order to receive subregional state aid as appropriated in part 1, a regional or subregional library's fiscal agency shall agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the regional or subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1.

**ONE-TIME BASIS APPROPRIATIONS**

Sec. 1001. (1) From the funds appropriated in part 1 for the liquor control commission IT upgrades, the department shall maintain customer service standards for authorized distributor agents, licensees, and vendors.

(2) The department shall identify specific outcomes and performance metrics for this initiative, including, but not limited to, the following:

(a) System availability to licensees.

(b) System order errors.

ARTICLE XIV

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

| | | |
|---|---|---|
| APPROPRIATION SUMMARY | | |
| Full-time equated unclassified positions | 9.0 | |
| Full-time equated classified positions | 898.5 | |
| GROSS APPROPRIATION | | $ 174,100,200 |
| Interdepartmental grant and intradepartmental transfer revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 101,800 |
| ADJUSTED GROSS APPROPRIATION | | $ 173,998,400 |
| Federal revenues: | | |
| Total federal revenues | | 91,793,600 |
| Special revenue funds: | | |
| Total local revenues | | 1,522,400 |
| Total private revenues | | 742,800 |
| Total other state restricted revenues | | 24,696,000 |
| State general fund/general purpose | | $ 55,243,600 |
| State general fund/general purpose schedule: | | |
| Ongoing state general fund/general purpose | 51,443,600 | |
| One-time state general fund/general purpose | 3,800,000 | |
| **Sec. 102. MILITARY** | | |
| Full-time equated unclassified positions | 9.0 | |
| Full-time equated classified positions | 334.0 | |
| Unclassified positions—9.0 FTE positions | | $ 1,425,500 |
| Departmentwide accounts | | 1,839,100 |
| Headquarters and armories—78.0 FTE positions | | 17,254,100 |
| Information technology services and projects | | 1,384,600 |
| Michigan youth challeNGe academy—50.0 FTE positions | | 5,326,900 |
| Military family relief fund | | 600,000 |
| Military training sites and support facilities—205.0 FTE positions | | 33,793,000 |
| National Guard tuition assistance fund | | 60,000 |
| National Guard tuition assistance program—1.0 FTE position | | 3,505,000 |
| National Guard operations | | 338,200 |
| Starbase grant | | 2,322,000 |
| GROSS APPROPRIATION | | $ 67,848,400 |
| Appropriated from: | | |
| Interdepartmental grant and intradepartmental transfer revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 101,800 |
| Federal revenues: | | |
| Total federal revenues | | 47,488,100 |
| Special revenue funds: | | |
| Total local revenues | | 1,522,400 |
| Total private revenues | | 202,800 |
| Total other state restricted revenues | | 6,551,800 |
| State general fund/general purpose | | $ 11,981,500 |
| **Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY** | | |
| Full-time equated classified positions | 209.5 | |
| Board of managers (veterans homes) | | $ 940,000 |
| D.J. Jacobetti home for veterans—164.5 FTE positions | | 21,250,600 |
| Michigan veterans trust fund administration—6.0 FTE positions | | 1,464,800 |
| Michigan veterans trust fund grants | | 3,746,500 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| MVAA administration—39.0 FTE positions | $ | 7,057,300 |
| Targeted grants | | 200,000 |
| Veterans service grants | | 3,763,500 |
| GROSS APPROPRIATION | $ | 38,422,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total federal revenues | | 8,305,600 |
| Special revenue funds: | | |
| Total private revenues | | 540,000 |
| Total other state restricted revenues | | 10,611,700 |
| State general fund/general purpose | $ | 18,965,400 |
| **Sec. 104. GRAND RAPIDS HOME FOR VETERANS** | | |
| Full-time equated classified positions 355.0 | | |
| Veterans home operations | $ | 6,135,400 |
| Purchased services | | 10,342,600 |
| Salaries, wages, and fringe benefits—355.0 FTE positions | | 30,751,000 |
| GROSS APPROPRIATION | $ | 47,229,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total federal revenues | | 20,999,900 |
| Special revenue funds: | | |
| Total other state restricted revenues | | 6,532,500 |
| State general fund/general purpose | $ | 19,696,600 |
| **Sec. 105. CAPITAL OUTLAY** | | |
| Land and acquisitions | $ | 1,000,000 |
| Special maintenance - headquarters and armories | | 15,300,000 |
| Special maintenance - veterans homes | | 500,000 |
| Veterans homes planning | | 100 |
| GROSS APPROPRIATION | $ | 16,800,100 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total federal revenues | | 15,000,000 |
| Special revenue funds: | | |
| Total other state restricted revenues | | 1,000,000 |
| State general fund/general purpose | $ | 800,100 |
| **Sec. 106. ONE-TIME APPROPRIATIONS** | | |
| Armory maintenance | $ | 2,500,000 |
| Grand Rapids home Medicaid certification pilot | | 1,000,000 |
| Homeless veterans | | 300,000 |
| GROSS APPROPRIATION | $ | 3,800,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 3,800,000 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $79,939,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is $102,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

| | | |
|---|---|---|
| Military training sites and support facilities | $ | 52,400 |
| MVAA administration | $ | 50,000 |
| TOTAL | $ | 102,400 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Core services" means that phrase as defined in section 373 of the management and budget act, 1984 PA 431, MCL 18.1373.

(b) "Department" means the department of military and veterans affairs.

(c) "Director" means the director of the department.

(d) "DJJHV" means the D.J. Jacobetti home for veterans.

(e) "FTE" means full-time equated.

(f) "GRHV" means the Grand Rapids home for veterans.

(g) "HVAC" means heating, ventilation, and air conditioning.

(h) "MVAA" means the Michigan veterans affairs agency.

(i) "Subcommittees" means the subcommittees of the senate and house appropriations committees with jurisdiction over the budget of the department.

(j) "USDVA" means the United States Department of Veterans Affairs.

(k) "USDVA-VHA" means the USDVA Veterans Health Administration.

(*l*) "VSO" means veterans service organization.

(m) "Work project" means that term as defined in section 404 of the management and budget act, 1984 PA 431, MCL 18.1404, and that meets the criteria in section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 218. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

(b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 219. The department shall provide quarterly reports to the subcommittees, the senate and house fiscal agencies, and the state budget office, which shall provide the following data:

(a) A list of all major work projects, including a status report of each project.

(b) The department's financial status, featuring a report of budgeted versus actual expenditures by part 1 line item including a year-end projection of budget requirements. If projected department budget requirements exceed the allocated budget, the report shall include a plan to reduce overall expenses while still satisfying specified service level requirements.

(c) A report on the status of performance metrics cited in this part and information required to be reported in this part.

(d) The number of active employees at the close of the fiscal quarter by job classification and program.

(e) Evidence of efficiencies and management of funds within established appropriations.

Sec. 222. The appropriations in part 1 are for the core services, support services, and work projects of the department, including, but not limited to, the following core services:

(a) Armories and joint force readiness.

(b) National Guard training facilities and air bases.

(c) Michigan youth challeNGe academy.

(d) Military family relief fund.

(e) Starbase grant.

(f) National Guard tuition assistance program.

(g) Michigan veterans affairs agency administration.

(h) Veterans service grants.

(i) Veterans' trust fund administration.

(j) Veterans' trust fund grants.

(k) Board of managers (veterans homes).

(*l*) Grand Rapids home for veterans.

(m) D.J. Jacobetti home for veterans.

Sec. 225. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 228. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriations lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriations lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees, the subcommittees, and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the subcommittees, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2016 and September 30, 2017.

Sec. 230. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 231. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $18,602,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $10,314,600.00. Total agency appropriations for retiree health care legacy costs are estimated at $8,287,900.00.

Sec. 232. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 233. Sixty days prior to the public announcement of the intention to sell any department real property, the department shall submit notification of that intent to the subcommittees and the senate and house fiscal agencies.

Sec. 234. The one-time appropriations in part 1 for special maintenance shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

**MILITARY**

**UNCLASSIFIED POSITIONS**

Sec. 300. (1) From the funds appropriated in part 1, there is funding to support unclassified employee positions as authorized by section 5 of article XI of the state constitution of 1963. These positions include the following: department director - the adjutant general for Michigan; assistant adjutant general - army; assistant adjutant general - installations; assistant adjutant general - air; senior policy executive - Michigan veterans affairs agency; senior deputy director - state operations; director - strategy and policy; chief executive officer for the veteran health system; and director - Michigan veterans affairs agency.

(2) Not less than 30 days prior to the department submitting a request for an additional unclassified employee position from the civil service commission, or for any substantive change to the duties of an existing unclassified employee position, the department shall notify the subcommittees and the senate and house fiscal agencies.

**ARMORIES AND JOINT FORCE READINESS**

Sec. 302. (1) From the funds appropriated in part 1 for military operations, effective and efficient executive direction and administrative leadership shall be provided to the department.

(2) The department shall operate and maintain National Guard armories.

(3) The department shall evaluate armories and submit a quarterly report on the status of the armories.

(4) The department shall maintain a system to measure the condition and adequacy of the armories.

(5) The Michigan Army National Guard and Air National Guard shall work to provide a culture that is free of sexual assault, through an environment of prevention, education and training, response capability, victim support, reporting procedures, and appropriate accountability that enhances the safety and well-being of all guard members.

(6) By December 1, the department shall report the following information to the subcommittees, the senate and house fiscal agencies, and the state budget office:

(a) An assessment of the grounds and facilities of each armory to objectively measure and determine the current facility condition and capability to support authorized manpower, unit training, and operations.

(b) Recommendations for the placement of new armories, the relocation or consolidation of existing armories, or a change in the mission of units assigned to armories to ideally position the National Guard in current or projected population centers.

(c) Recommendations for the enhanced use of armories to facilitate family support programs during deployments.

(d) An analysis of the feasibility, potential costs, and benefits of use of armories shared with other local, state, or federal agencies to improve responses to local emergencies as well as the community support provided to armories.

(e) An investment strategy and proposed funding amounts in a prioritized project list to correct the most critical facility shortfalls across the inventory of armories in this state.

**NATIONAL GUARD TRAINING FACILITIES AND AIR BASES**

Sec. 304. (1) The department shall provide Army and Air National Guard forces, when directed, for state and local emergencies and in support of national military requirements.

(2) The department shall operate and maintain Army National Guard training facilities, including Fort Custer and Camp Grayling.

(3) The department shall maintain a system that measures the condition and adequacy of air facilities using both quality and functionality criteria.

(4) The department shall operate and maintain Air National Guard air bases, including Selfridge Air National Guard base, Battle Creek Air National Guard base, and Alpena combat readiness training center.

(5) The department shall provide the following information as provided under section 219:

(a) The apportioned and assigned strength of the Michigan Army National Guard.

(b) The apportioned and assigned strength of the Michigan Air National Guard.

(c) Recruiting, retention, and attrition data, including measurement against stated performance goals, for the Michigan Army National Guard.

(d) Recruiting, retention, and attrition data, including measurement against stated performance goals, for the Michigan Air National Guard.

Sec. 305. There is hereby created and established under the jurisdiction and control of the department a revolving account to be known as the billeting fund account. All of the fees and other revenues generated from the operation of the chargeable transient quarters program shall be deposited in the billeting fund account. Appropriations will be made from the account for the support of program operations and the maintenance and operations of the chargeable transient quarters program and will not exceed the estimated revenues for the fiscal year in which they are made, together with unexpended balances from prior years. The department shall submit an annual report of operations and expenditures regarding the billeting fund account to the appropriations committees of the senate and house of representatives, the house and senate fiscal agencies, and the state budget office at the end of the fiscal year.

**MICHIGAN YOUTH CHALLENGE ACADEMY**

Sec. 307. (1) The department shall maintain the Michigan youth challeNGe academy to provide values, skills, education, and self-discipline instruction for at-risk youth as provided under 32 USC 509.

(2) The department shall take steps to recruit candidates to the challeNGe program from economically disadvantaged areas, including those with low-income and high-unemployment backgrounds.

(3) The department shall partner with the department of health and human services to identify youth who may be eligible for the challeNGe program from those youth served by department of health and human services programs. These eligible youth shall be given priority for enrollment in the program.

(4) The department shall maintain the staffing and resources necessary to train at least 144 cadets simultaneously at the Michigan youth challeNGe academy.

(5) The department shall ensure that the average grade level increase for Michigan youth challeNGe academy graduates is 2 years as measured with the test adult basic education (TABE) metrics.

**MILITARY FAMILY RELIEF FUND**

Sec. 308. (1) The department shall provide grants for disbursement from the military family relief fund, as provided under the military family relief fund act, 2004 PA 363, MCL 35.1211 to 35.1216, and R 200.5 to R 200.95 of the Michigan administrative code.

(2) The department shall provide information on the revenues, expenditures for advertising and assistance grants, and fund balance of the Michigan military family relief fund, as provided under section 219.

(3) The department shall provide sufficient staffing and other resources to provide outreach to the Michigan families of members of the reserve component of the armed forces called into active duty and to support the processing and approval of grant applications this fiscal year under the Michigan military relief fund and report those applications as provided in section 219.

**STARBASE GRANT**

Sec. 309. The department shall maintain the starbase program at Air National Guard facilities, as provided under 10 USC 2193b, to improve the knowledge, skills, and interest of students, primarily in the fifth grade, in math, science, and technology. The starbase program is to specifically target minority and at-risk students for participation.

**NATIONAL GUARD TUITION ASSISTANCE PROGRAM**

Sec. 310. (1) The department shall establish and maintain a National Guard tuition assistance program for members of the Michigan Air and Army National Guard.

(2) The objective of the National Guard tuition program is to bolster military readiness by increasing recruitment and retention of Michigan Air and Army National Guard service members (and to fill federally authorized strength levels for the state), improve the Michigan Air and Army National Guard's competitive draw from other military enlistment options in the state, enhance the ability of the Michigan Air and Army National Guard to compete for members and federal dollars with surrounding states, and increase the pool of eligible candidates within the Michigan Air and Army National Guard to become commissioned officers.

(3) The department shall make efforts to increase the number of Michigan Air and Army National Guard members participating in the program to 1,000 during the third year of the program's existence. To evaluate the effectiveness of the program, the department shall monitor the number of new recruits and new reenlistments and the percentage of those who become participants in the program to determine whether the percentage of authorized Michigan Air and Army National Guard strength obtained and retained is competitive in comparison with the neighboring air and army national guards from the states of Illinois, Indiana, Ohio, and Wisconsin.

(4) From the funds appropriated in part 1, the National Guard tuition assistance program shall be supported with revenue from the Michigan national guard tuition assistance fund created in section 4 of the Michigan national guard tuition assistance act, 2014 PA 259, MCL 32.434. As provided in section 4 of the Michigan national guard tuition assistance act, 2014 PA 259, MCL 32.434, unexpended funds remaining in the Michigan national guard tuition assistance fund at the end of the fiscal year shall not lapse to the general fund.

**INFORMATION TECHNOLOGY SERVICES AND PROJECTS**

Sec. 311. The funds appropriated in part 1 for information technology services and projects shall be used as a pass through via an interdepartmental grant to the department of technology, management, and budget for technology services, including maintenance and repair services, and technology projects, to maximize the operational efficiency and effectiveness of the department.

**MICHIGAN VETERANS AFFAIRS AGENCY**

**MICHIGAN VETERANS AFFAIRS AGENCY ADMINISTRATION**

Sec. 400. (1) The MVAA shall provide outreach services to Michigan veterans that advise them on the benefits to which they are entitled, as provided under Executive Reorganization Order No. 2013-2, MCL 32.92. The MVAA shall also do the following:

(a) Maintain the staffing partnerships and other resources necessary to develop and operate an outreach program that will communicate benefit eligibility information to at least 50% of Michigan's population of veterans, as assessed by annual census estimates, with a goal of reaching 100% and enabling 100% to access benefit information online.

(b) Communicate veteran benefit information pertaining to the Michigan military family relief fund, Michigan veterans' trust fund, and USDVA health, financial, and memorial benefits to which they are entitled.

(c) Provide sufficient staffing and other resources to approve requests for military discharge certificates (DD-214) annually.

(d) Continue the process to digitize all medical records, military discharge documents, and burial records that are currently on paper and microfilm.

(e) Provide a report, as provided under section 219, on the MVAA's performance on the performance measures, outcomes, and initiatives developed by the agency in the strategic plan required by section 501 of 2013 PA 9.

(f) Provide a report to the subcommittees, senate and house fiscal agencies, and the state budget office no later than April 1 providing for the following:

(*i*) To the extent known, data on the estimated number of homeless veterans, by county, in this state.

(*ii*) A summary of the activities and strategies developed to date under the MVAA community assessment and regional service delivery model pilot.

(2) From the funds appropriated in part 1, the MVAA shall provide for the regional coordination of services, as follows:

(a) Regional coordinators shall be selected by the MVAA through a grant agreement with VSOs or by other means.

(b) Regional coordinators shall provide the following services:

(*i*) Coordinate veteran benefit counselors' efforts throughout a specified region.

(*ii*) Coordinate services with the department of health and human services and the department of corrections.

(*iii*) Coordinate with regional workforce and economic development agencies.

(*iv*) Coordinate activities among local foundations, nonprofit organizations, and community groups to improve accessibility, enrollment, and utilization of the array of health care, education, employment assistance, and quality of life services provided at the local level.

(c) The MVAA may work with MVAA service officers, regional coordinators, county veteran counselors, VSO service officers, and other service providers to incorporate the provision of information relating to mental health care resources into their daily operations to aid veterans in understanding the mental health care support services they may be eligible to receive.

(d) The MVAA shall coordinate with the department of health and human services to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits, to the extent that the identification does not violate applicable confidentiality requirements.

(e) The MVAA shall collaborate with the department of corrections to create and maintain a process by which prisoners can obtain a copy of their DD-214 form or other military discharge documentation if necessary.

(f) The MVAA shall ensure that all MVAA service officers, VSO service officers, and regional coordinators receive appropriate training in processing applications for benefits payable to veterans due to military sexual trauma, post-traumatic stress disorder, depression, anxiety, substance abuse, or other mental health issues.

(3) The MVAA shall provide claims processing services to Michigan veterans in support of benefit claims submitted to the USDVA for the health, financial, and memorial benefits for which they are eligible, and shall do all of the following:

(a) Report the following information as provided in section 219:

(*i*) The number of benefit claims, by type, submitted to the USDVA by MVAA and coalition partner veteran service officers.

(*ii*) The number of fully developed claims, submitted to the USDVA, with an overall goal of 40% of benefit claims submitted that are considered fully developed by the USDVA.

(b) Maintain the staffing and resources necessary to process a minimum of 500 claims per year.

(4) The MVAA shall maintain staffing and resources necessary to develop and implement a process to ensure that all county counselors receive the training and accreditation necessary to provide quality services to our veterans. The MVAA shall report information as provided in section 219 on the number and percentage of county veterans counselors requesting training by the MVAA, with an overall goal of 100% of county veterans counselors trained.

(5) From the funds appropriated in part 1 for MVAA operations, the MVAA shall provide grant assistance to enhance the capacity and capabilities of counties in providing benefit claims assistance. These funds shall be used to continue the implementation of an Internet-based data system, to increase the number of county veterans counselors, and to increase the number of counties that provide service to veterans through county veterans counselors. The MVAA shall provide a report, as provided in section 219, on the expenditures and activities of the grant funds directed by this subsection.

(6) From the funds appropriated in part 1 for MVAA, the MVAA is authorized to expend up to $50,000.00 to hire legal services to represent veterans benefit cases before federal court to maintain accreditation under 38 CFR 14.628(d)(1)(*iv*).

**VETERANS SERVICE ORGANIZATION GRANTS**

Sec. 406. (1) The MVAA shall disburse VSO grants to assist them to achieve agency goals and performance objectives in partnership with the VSOs. Grants to VSOs will be disbursed to fund programs and projects which are determined by the agency to meet agency performance objectives and ensure that VSOs communicate the availability of emergency grants through the Michigan veterans' trust fund. In disbursing veterans service organization grants, the MVAA shall do the following:

(a) Ensure that each VSO that receives grants is issued performance standards.

(b) Ensure that each VSO that receives grant funds uses those funds for veterans advocacy and outreach.

(c) Monitor the performance of each VSO that receives grants.

(2) Veterans service organization grants awarded by the MVAA shall provide for the following, as developed by the MVAA:

(a) The provision of service to veterans statewide, using a regional service delivery model, with services provided at specified locations and times, including service provided in state correctional facilities.

(b) The payment of a fixed hourly service rate.

(c) A specified number of service hours within each geographic region of this state, with a statewide goal of at least 116,500 hours, including service hours provided to eligible incarcerated veterans within 1 year of their earliest release date.

(d) Use of an MVAA-designated Internet-based claims data system.

(3) The MVAA shall report the following information as provided in section 219:

(a) A summary of activities supported through the appropriation in part 1 for veterans service organization grants, including separately for each service region, the amount of expenditures to date, number of service hours, number of claims for benefits submitted by type of claim, and other information deemed appropriate by the MVAA.

(b) The number of fully developed claims, by type, submitted to the USDVA by veterans service organizations, with an overall goal of 40% of benefit claims submitted that are considered fully developed by the USDVA.

**VETERANS' TRUST FUND ADMINISTRATION**

Sec. 407. (1) The Michigan veterans' trust fund board together with the MVAA shall provide emergency grants for disbursement from the Michigan veterans' trust fund, as provided under the following program authorities:

(a) Sections 37, 38, and 39 of article IX of the state constitution of 1963.

(b) 1946 (1st Ex Sess) PA 9, MCL 35.602 to 35.610.

(c) R 35.1 to R 35.7 of the Michigan administrative code.

(d) R 35.621 to R 35.623 of the Michigan administrative code.

(2) No later than December 1, the MVAA shall provide a detailed report of the Michigan veterans' trust fund that includes, for the prior fiscal year, information on grants provided from the emergency grant program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, a description of how the emergency grant program is administered in each county, and a detailed breakdown of trust fund expenditures for that year, including the amount distributed to each county for administrative costs and emergency grants. The report shall also include the number of approved applications, by category of assistance, and the number of denied applications, by reason of denial. The report shall also provide an update on the department's efforts to reduce program administrative costs and maintain the Michigan veterans' trust fund corpus to its original amount of at least $50,000,000.00.

(3) Any funds not expended or encumbered at the end of the current fiscal year shall be deposited into the Michigan veterans' trust fund corpus.

**VETERANS' TRUST FUND GRANTS**

Sec. 408. (1) The MVAA shall provide a report, as provided under section 219, on the financial status of the Michigan veterans' trust fund, including the number and amount of emergency grants, state administrative expenses, and county administrative expenses.

(2) The Michigan veterans' trust fund board together with the agency shall maintain the staffing and resources necessary to process a minimum of 2,000 applications for veterans' trust fund emergency grants.

**GRAND RAPIDS AND D.J. JACOBETTI HOMES FOR VETERANS**

Sec. 501. (1) The MVAA and the board of managers shall provide compassionate and quality nursing and domiciliary care services at the Grand Rapids and D.J. Jacobetti homes for veterans so that members can achieve their highest potential of wellness, independence, self-worth, and dignity.

(2) The department shall provide resources necessary to provide nursing care services to veterans in accordance with federal standards and provide the results of the annual USDVA survey and certification as proof of compliance.

(3) Appropriations in part 1 for the Grand Rapids and the D.J. Jacobetti homes for veterans shall not be used for any purpose other than for veterans and veterans' families.

(4) Any contractor providing competency evaluated nursing assistants (CENA) to the Grand Rapids home for veterans shall ensure that each CENA has at least 8 hours of training on information provided by the home.

(5) Any contractor providing competency evaluated nursing assistants to the Grand Rapids home for veterans shall ensure that each CENA has at least 1 eight-hour shift of shadowing at the veterans' home.

(6) Any contractor providing competency evaluated nursing assistants to the Grand Rapids home for veterans shall ensure that each CENA is competent in the basic skills needed to perform his or her assigned duties at the home.

(7) The Grand Rapids home for veterans shall provide each CENA at least 12 hours of in-service training once that individual has been assigned to the home.

(8) All complaints of abusive or neglectful care at the Grand Rapids and the D.J. Jacobetti homes for veterans by a resident member, a resident member's family or legal guardian, or staff of the veterans' homes, received by a supervisor shall be referred to the director of nursing or his or her designee upon receipt of such complaint. The director of nursing or his or her designee shall report on not less than a monthly basis, except that the board of managers may specify a more frequent reporting period, to the home administrator, board of managers, agency, subcommittees, the senate and house fiscal agencies, and the state budget office the following information:

(a) A description of the process by which resident members and others may file complaints of alleged abuse or neglect at the Grand Rapids and the D.J. Jacobetti homes for veterans.

(b) Summary statistics on the number and general nature of complaints of abuse or neglect.

(c) Summary statistics on the final disposition of complaints of abuse or neglect received.

(9) The Grand Rapids and D.J. Jacobetti homes for veterans shall provide an on-site, board-certified psychiatrist for all resident members with mental health disorders in order to ensure that those resident members receive needed services in a professional and timely manner. The Grand Rapids and D.J. Jacobetti homes for veterans shall provide all members and staff a safe and secure environment.

(10) The Grand Rapids and D.J. Jacobetti homes for veterans shall ensure that they effectively develop, execute, and monitor all comprehensive care plans in accordance with federal regulations and their internal policies, with a goal that a comprehensive care plan is fully developed for all resident members.

(11) The Grand Rapids and D.J. Jacobetti homes for veterans shall implement controls over their food, maintenance supplies, pharmaceuticals, and medical supplies inventories.

(12) The Grand Rapids and D.J. Jacobetti homes for veterans shall establish sufficient controls for calculating resident member maintenance assessments in order to accurately calculate resident member maintenance assessments for each billing cycle. The Grand Rapids and D.J. Jacobetti homes for veterans shall establish sufficient controls to ensure that all past due resident member maintenance assessments are addressed within 30 days.

(13) The Grand Rapids and D.J. Jacobetti homes for veterans shall establish sufficient controls over monetary donations and donated goods.

(14) The Grand Rapids and D.J. Jacobetti homes for veterans shall implement sufficient controls over the handling of resident member funds to ensure the release of funds within 3 business days upon the resident member leaving the home and to ensure that a representative of a resident member is provided a full accounting of that resident member's funds within 10 business days of the death of that resident member.

(15) The MVAA shall post on its website all policies adopted by the board of managers and the home related to the administrative operations of the home.

(16) The process by which visitors, residents, and employees of the Grand Rapids and D.J. Jacobetti homes for veterans may register complaints shall be displayed in high-traffic areas throughout the home.

(17) The MVAA shall report its findings regarding the state veterans' homes' compliance with the requirements and standards under this section in a quarterly report to the legislature and the state budget office. The quarterly reports shall include, but are not limited to, the following information:

(a) Quality of care metrics, including:

(*i*) The number of patient care hours and staffing levels measured against USDVA-VHA standards.

(*ii*) Sentinel events reported to the USDVA.

(*iii*) Fall and wound reports.

(*iv*) Complaint reports, including abuse and neglect complaints and outcomes of complaint investigations.

(*v*) Additional minimum data set quality of care indicators used to measure quality of care in long-term care facilities.

(b) Quarterly budget update.

(c) An accounting of resident member populations at the Grand Rapids and D.J. Jacobetti homes for veterans as follows:

(*i*) By demographics, including period of service, gender, and age.

(*ii*) By care setting, payment source, and associated revenue projections.

(d) Updates related to the modernization of the Grand Rapids and D.J. Jacobetti homes for veterans, including information related to the following:

(*i*) Infrastructure/capital outlay improvements.

(*ii*) Information technology updates.

(*iii*) Financial management.

(e) Updates on corrective action status related to any audit and survey findings until such findings have been fully addressed.

(18) The Grand Rapids and D.J. Jacobetti homes for veterans shall provide to the subcommittees, the senate and house fiscal agencies, and the state budget office the results of any annual or for-cause survey conducted by the USDVA-VHA and any corresponding corrective action plan. This information shall also be made available publicly through the department's or MVAA's website.

(19) The MVAA shall provide to the legislature and the state budget office quarterly reports regarding the status of Medicaid certification efforts, including, but not limited to, descriptions of incremental milestones, associated expenditures, and the percent of plan completed.

Sec. 502. (1) From the increased funds appropriated in part 1 for the D.J. Jacobetti home for veterans, the department shall pursue compliance with current Centers for Medicare and Medicaid Services certification standards by the end of the current fiscal year. The purpose of this expansion will be to obtain Medicaid certification during fiscal year 2016-2017, to increase the ability to fully utilize all federal funding available to cover the cost of care of eligible veterans living at DJJHV, and to improve overall quality of care for all veterans living at DJJHV.

(2) The department shall identify specific outcomes and performance measures for this initiative, including, but not limited to, the following:

(a) The quality of care to members of DJJHV shall increase as a result of increased direct care staffing ratios.

(b) The quality of the care environment at DJJHV shall increase as a result of facility updates made according to Medicaid specifications to increase members' access to private and semi-private accommodations.

(c) The quality of care for members of DJJHV shall increase as a result of increased ability efforts to implement long-term care evidence-based best practices at DJJHV.

(d) The collection of available federal Medicaid revenue shall increase as a result of Medicaid certification.

(e) The fiscal stability of DJJHV shall improve due to increased efforts to collect available federal revenue.

Sec. 503. The department shall ensure that the quality of care for members of the Grand Rapids and D.J. Jacobetti homes for veterans shall exceed the current quality of care for the full spectrum of health care services as a result of the upgrades made to the homes to meet the Centers for Medicare and Medicaid Services certification standards. The department shall provide a quarterly report to the subcommittees which contains evidence that the quality of care for the full spectrum of health care services has improved due to those upgrades.

**BOARD OF MANAGERS (VETERANS HOMES)**

Sec. 504. The board of managers shall exercise certain regulatory and governance authority regarding admission and member affairs at the Grand Rapids and D.J. Jacobetti homes for veterans. The board of managers shall also work to represent the interest of the veterans' community in both advisory and advocacy roles.

**CAPITAL OUTLAY**

**SPECIAL MAINTENANCE – NATIONAL GUARD**

Sec. 601. (1) The appropriations in part 1 for special maintenance – National Guard shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

(2) The appropriations for special maintenance – National Guard shall be expended in accordance with the requirements of sections 302 and 304 and shall be expended according to the maintenance priorities of the department to repair and modernize military training sites and support facilities, including armories, which may include projects such as roof, HVAC, or boiler replacement, interior renovations, facility expansion, improvements to parking facilities, and other projects.

(3) The department shall provide a quarterly report as provided under section 219 providing information on the status, projected costs, and projected completion date of current and planned special maintenance projects at the armories and other National Guard facilities funded from capital outlay appropriations made in part 1 and in prior appropriations years.

**SPECIAL MAINTENANCE – VETERANS' HOMES**

Sec. 603. (1) The appropriations in part 1 for special maintenance – veterans' homes shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

(2) The appropriations for special maintenance – veterans' homes shall be expended in accordance with the requirements of section 501 and shall be expended according to the maintenance priorities of the department to repair and modernize the state's veterans' homes, which may include projects such as roof, HVAC, or boiler replacement, interior renovations, facility expansion, improvements to parking facilities, and other projects designed to enhance the quality of life and medical care of members.

(3) The MVAA shall provide a quarterly report as provided under section 219 providing information on the status, projected costs, and projected completion date of current and planned special maintenance projects at the Grand Rapids home for veterans and D.J. Jacobetti home for veterans funded from capital outlay appropriations made in part 1 and in prior appropriations years.

**LAND AND ACQUISITIONS**

Sec. 604. (1) The department shall provide for the acquisition and disposition of National Guard armories, facilities, and lands as provided under sections 368, 382, and 382a of the Michigan military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

(2) The department shall provide a listing of property sales and acquisitions as provided under section 219.

**VETERANS' HOMES PLANNING**

Sec. 605. (1) Funds appropriated in part 1 for veterans' homes planning shall be used for the purposes of improving this state's services in providing homes for veterans, which includes, but is not limited to, the following:

(a) Developing a long-term plan for this state's veterans' homes.

(b) The acquisition of land or facilities for the purpose of expanding upon existing veterans' homes or creating new veterans' homes.

(c) Constructing 1 or more new veterans' homes.

(d) Renovation of an existing veterans' home, in whole or in part, or its associated facilities and infrastructure.

(2) The department shall issue a report quarterly regarding the progress of any project undertaken utilizing funds appropriated for veterans' homes planning to the chairs of the house and senate standing committees on appropriations, the subcommittees, and the house and senate fiscal agencies.

**ONE-TIME APPROPRIATIONS**

**ARMORY MAINTENANCE**

Sec. 701. (1) The appropriations in part 1 for armory maintenance shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

(2) The appropriations for armory maintenance shall be expended in accordance with the requirements of sections 302 and 304 and shall be expended according to the maintenance priorities of the department to repair and modernize military training sites and support facilities, including armories.

PART 2A
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, excluding appropriations designated as one-time appropriations and adjusting for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2017 consensus revenue estimating conference.

Sec. 1202. The veterans affairs agency shall provide the percentage of Michigan veterans contacted, with a goal of 100%, and report upon those outreach findings to the subcommittees at quarterly legislative hearings.

Sec. 1203. The veterans affairs agency shall maintain a minimum 50% fully developed claims as determined by the USDVA.

ARTICLE XV
DEPARTMENT OF NATURAL RESOURCES
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of natural resources for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF NATURAL RESOURCES**

| | | | |
|---|---|---|---|
| APPROPRIATION SUMMARY | | | |
| Full-time equated unclassified positions | 6.0 | | |
| Full-time equated classified positions | 2,236.8 | | |
| GROSS APPROPRIATION | | $ | 398,254,100 |
| Interdepartmental grant revenues: | | | |
| Total interdepartmental grants and intradepartmental transfers | | | 1,375,900 |
| ADJUSTED GROSS APPROPRIATION | | $ | 396,878,200 |
| Federal revenues: | | | |
| Total federal revenues | | | 72,365,400 |
| Special revenue funds: | | | |
| Total private revenues | | | 7,446,400 |
| Total other state restricted revenues | | | 277,156,400 |
| State general fund/general purpose | | $ | 39,910,000 |
| State general fund/general purpose schedule: | | | |
| Ongoing state general fund/general purpose | 38,260,000 | | |
| One-time state general fund/general purpose | 1,650,000 | | |
| FUND SOURCE SUMMARY | | | |
| Full-time equated unclassified positions | 6.0 | | |
| Full-time equated classified positions | 2,236.8 | | |
| GROSS APPROPRIATION | | $ | 398,254,100 |
| Interdepartmental grant revenues: | | | |
| IDG, land acquisition services-to-work orders | | | 232,200 |
| IDG, MacMullan conference center revenue | | | 1,143,700 |
| Total interdepartmental grants and intradepartmental transfers | | | 1,375,900 |
| ADJUSTED GROSS APPROPRIATION | | $ | 396,878,200 |
| Federal revenues: | | | |
| Federal funds | | | 72,365,400 |
| Total federal revenues | | | 72,365,400 |
| Special revenue funds: | | | |
| Private - Mann house trust fund | | | 15,000 |
| Private funds | | | 7,431,400 |
| Total private revenues | | | 7,446,400 |
| Cervidae licensing and inspection fees | | | 138,800 |
| Clean Michigan initiative fund | | | 29,700 |
| Commercial forest fund | | | 26,600 |
| Fire equipment fund | | | 668,700 |
| Forest development fund | | | 44,288,400 |
| Forest land user charges | | | 252,200 |
| Forest recreation account | | | 1,825,500 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Game and fish protection fund | $ | 75,013,200 |
| Game and fish protection fund - deer habitat reserve | | 2,127,300 |
| Game and fish protection fund - fisheries settlement | | 629,200 |
| Game and fish protection fund - turkey permit fees | | 1,008,400 |
| Game and fish protection fund - waterfowl fees | | 122,400 |
| Game and fish protection fund - wildlife management public education fund | | 1,600,000 |
| Game and fish protection fund - wildlife resource protection fund | | 1,140,700 |
| Game and fish protection fund - youth hunting and fishing education and outreach fund | | 95,800 |
| History fees fund | | 233,000 |
| Invasive species fund | | 100 |
| Land exchange facilitation fund | | 6,985,900 |
| Local public recreation facilities fund | | 1,682,500 |
| Mackinac Island State Park fund | | 1,573,000 |
| Mackinac Island State Park operation fund | | 148,500 |
| Marine safety fund | | 3,718,600 |
| Michigan heritage publications fund | | 22,300 |
| Michigan natural resources trust fund | | 1,870,700 |
| Michigan state parks endowment fund | | 26,541,300 |
| Michigan state waterways fund | | 22,707,100 |
| Michigan trailways fund | | 200 |
| Museum operations fund | | 502,900 |
| Nongame wildlife fund | | 483,400 |
| Off-road vehicle safety education fund | | 203,500 |
| Off-road vehicle trail improvement fund | | 7,068,700 |
| Park improvement fund | | 53,201,700 |
| Park improvement fund - Belle Isle subaccount | | 800,000 |
| Permanent snowmobile trail easement fund | | 700,000 |
| Public use and replacement deed fees | | 27,500 |
| Recreation improvement account | | 1,123,100 |
| Recreation passport fees | | 8,296,400 |
| Snowmobile registration fee revenue | | 1,196,900 |
| Snowmobile trail improvement fund | | 9,024,700 |
| Sportsmen against hunger fund | | 77,500 |
| Total other state restricted revenues | | 277,156,400 |
| State general fund/general purpose | $ | 39,910,000 |
| **Sec. 102. EXECUTIVE OPERATIONS** | | |
| Full-time equated unclassified positions 6.0 | | |
| Full-time equated classified positions 11.6 | | |
| Natural resources commission | $ | 77,100 |
| Unclassified salaries—6.0 FTE positions | | 754,000 |
| Executive direction—11.6 FTE positions | | 2,120,700 |
| GROSS APPROPRIATION | $ | 2,951,800 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Forest development fund | | 364,800 |
| Forest land user charges | | 2,300 |
| Forest recreation account | | 7,700 |
| Game and fish protection fund | | 1,058,500 |
| Game and fish protection fund - deer habitat reserve | | 19,200 |
| Game and fish protection fund - turkey permit fees | | 7,700 |
| Game and fish protection fund - waterfowl fees | | 500 |
| Game and fish protection fund - wildlife resource protection fund | | 13,000 |
| Land exchange facilitation fund | | 10,400 |
| Marine safety fund | | 46,600 |
| Michigan natural resources trust fund | | 1,400 |
| Michigan state parks endowment fund | | 363,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Michigan state waterways fund | | $ 192,300 |
| Nongame wildlife fund | | 3,900 |
| Off-road vehicle safety education fund | | 400 |
| Off-road vehicle trail improvement fund | | 82,900 |
| Park improvement fund | | 457,300 |
| Recreation improvement account | | 12,400 |
| Snowmobile registration fee revenue | | 4,700 |
| Snowmobile trail improvement fund | | 17,100 |
| Sportsmen against hunger fund | | 100 |
| State general fund/general purpose | | 285,600 |
| **Sec. 103. DEPARTMENT INITIATIVES** | | |
| Full-time equated classified positions | 16.0 | |
| Great Lakes restoration initiative | | $ 5,500,000 |
| Michigan conservation corps | | 1,000,000 |
| Invasive species prevention and control—16.0 FTE positions | | 5,028,300 |
| GROSS APPROPRIATION | | $ 11,528,300 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 5,500,000 |
| Special revenue funds: | | |
| State general fund/general purpose | | $ 6,028,300 |
| **Sec. 104. DEPARTMENT SUPPORT SERVICES** | | |
| Full-time equated classified positions | 109.5 | |
| Finance and operations—105.5 FTE positions | | $ 17,300,200 |
| Accounting service center | | 1,480,400 |
| Legislative and legal affairs—4.0 FTE positions | | 546,900 |
| Building occupancy charges | | 3,126,700 |
| Rent - privately owned property | | 488,400 |
| Gifts and pass-through transactions | | 5,000,000 |
| GROSS APPROPRIATION | | $ 27,942,600 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG, land acquisition services-to-work orders | | 232,200 |
| Federal revenues: | | |
| Federal funds | | 329,700 |
| Special revenue funds: | | |
| Private funds | | 5,000,000 |
| Clean Michigan initiative fund | | 29,700 |
| Forest development fund | | 2,402,600 |
| Forest land user charges | | 4,900 |
| Forest recreation account | | 43,800 |
| Game and fish protection fund | | 5,898,100 |
| Game and fish protection fund - deer habitat reserve | | 136,400 |
| Game and fish protection fund - turkey permit fees | | 70,100 |
| Game and fish protection fund - waterfowl fees | | 2,900 |
| Game and fish protection fund - wildlife resource protection fund | | 28,100 |
| Land exchange facilitation fund | | 5,899,100 |
| Local public recreation facilities fund | | 182,500 |
| Marine safety fund | | 727,800 |
| Michigan natural resources trust fund | | 1,247,000 |
| Michigan state parks endowment fund | | 912,400 |
| Michigan state waterways fund | | 572,200 |
| Nongame wildlife fund | | 9,500 |
| Off-road vehicle safety education fund | | 300 |
| Off-road vehicle trail improvement fund | | 86,500 |
| Park improvement fund | | 1,276,300 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Public use and replacement deed fees | $ | 27,500 |
| Recreation improvement account | | 71,300 |
| Snowmobile registration fee revenue | | 43,500 |
| Snowmobile trail improvement fund | | 106,300 |
| Sportsmen against hunger fund | | 400 |
| State general fund/general purpose | $ | 2,601,500 |
| **Sec. 105. COMMUNICATION AND CUSTOMER SERVICES** | | |
| Full-time equated classified positions ... 132.3 | | |
| Marketing and outreach—80.8 FTE positions | $ | 13,653,700 |
| Michigan historical center—51.5 FTE positions | | 5,576,300 |
| Michigan wildlife council | | 1,600,000 |
| GROSS APPROPRIATION | $ | 20,830,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 1,722,600 |
| Special revenue funds: | | |
| Private - Mann house trust fund | | 15,000 |
| Private funds | | 396,200 |
| Forest development fund | | 131,900 |
| Forest recreation account | | 16,300 |
| Game and fish protection fund | | 8,288,800 |
| Game and fish protection fund - wildlife management public education fund | | 1,600,000 |
| Game and fish protection fund - youth hunting and fishing education and outreach fund | | 93,800 |
| History fees fund | | 233,000 |
| Land exchange facilitation fund | | 45,800 |
| Marine safety fund | | 35,600 |
| Michigan heritage publications fund | | 22,300 |
| Michigan state parks endowment fund | | 88,800 |
| Michigan state waterways fund | | 146,700 |
| Museum operations fund | | 502,900 |
| Nongame wildlife fund | | 10,500 |
| Off-road vehicle trail improvement fund | | 31,100 |
| Park improvement fund | | 2,785,400 |
| Recreation passport fees | | 23,800 |
| Snowmobile registration fee revenue | | 19,300 |
| Snowmobile trail improvement fund | | 45,100 |
| Sportsmen against hunger fund | | 76,400 |
| State general fund/general purpose | $ | 4,498,700 |
| **Sec. 106. WILDLIFE MANAGEMENT** | | |
| Full-time equated classified positions ... 226.5 | | |
| Wildlife management—217.5 FTE positions | $ | 37,007,300 |
| Natural resources heritage—9.0 FTE positions | | 632,900 |
| GROSS APPROPRIATION | $ | 37,640,200 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 20,326,800 |
| Special revenue funds: | | |
| Private funds | | 315,700 |
| Cervidae licensing and inspection fees | | 85,400 |
| Forest development fund | | 77,600 |
| Game and fish protection fund | | 11,870,000 |
| Game and fish protection fund - deer habitat reserve | | 1,710,100 |
| Game and fish protection fund - turkey permit fees | | 896,800 |
| Game and fish protection fund - waterfowl fees | | 115,700 |
| Nongame wildlife fund | | 429,000 |
| State general fund/general purpose | $ | 1,813,100 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **Sec. 107. FISHERIES MANAGEMENT** | | |
| Full-time equated classified positions | 221.5 | |
| Aquatic resource mitigation—2.0 FTE positions | | $ 629,300 |
| Fish production—63.0 FTE positions | | 10,194,000 |
| Fisheries resource management—156.5 FTE positions | | 20,378,600 |
| Cormorant population mitigation program | | 150,000 |
| GROSS APPROPRIATION | | $ 31,351,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 11,225,700 |
| Special revenue funds: | | |
| Private funds | | 136,200 |
| Game and fish protection fund | | 18,951,500 |
| Game and fish protection fund - fisheries settlement | | 629,200 |
| Invasive species fund | | 100 |
| State general fund/general purpose | | $ 409,200 |
| **Sec. 108. LAW ENFORCEMENT** | | |
| Full-time equated classified positions | 273.0 | |
| General law enforcement—273.0 FTE positions | | $ 40,506,000 |
| GROSS APPROPRIATION | | $ 40,506,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 6,477,500 |
| Special revenue funds: | | |
| Cervidae licensing and inspection fees | | 53,400 |
| Forest development fund | | 45,400 |
| Forest recreation account | | 72,800 |
| Game and fish protection fund | | 19,322,900 |
| Game and fish protection fund - wildlife resource protection fund | | 1,057,500 |
| Marine safety fund | | 1,340,900 |
| Michigan state parks endowment fund | | 71,400 |
| Michigan state waterways fund | | 21,700 |
| Off-road vehicle safety education fund | | 156,000 |
| Off-road vehicle trail improvement fund | | 1,693,800 |
| Park improvement fund | | 72,800 |
| Snowmobile registration fee revenue | | 721,900 |
| State general fund/general purpose | | $ 9,398,000 |
| **Sec. 109. PARKS AND RECREATION DIVISION** | | |
| Full-time equated classified positions | 902.9 | |
| MacMullan conference center—15.0 FTE positions | | $ 1,143,700 |
| Recreational boating—163.5 FTE positions | | 17,371,300 |
| State parks—673.4 FTE positions | | 66,487,900 |
| Forest recreation and trails—51.0 FTE positions | | 6,189,400 |
| State parks improvement revenue bonds - debt service | | 1,188,800 |
| GROSS APPROPRIATION | | $ 92,381,100 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG, MacMullan conference center revenue | | 1,143,700 |
| Federal revenues: | | |
| Federal funds | | 1,750,500 |
| Special revenue funds: | | |
| Private funds | | 428,400 |
| Forest recreation account | | 1,642,900 |
| Michigan state parks endowment fund | | 20,805,600 |
| Michigan state waterways fund | | 16,239,000 |
| Michigan trailways fund | | 100 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Off-road vehicle safety education fund | $ | 7,200 |
| Off-road vehicle trail improvement fund | | 1,796,400 |
| Park improvement fund | | 43,251,600 |
| Park improvement fund - Belle Isle subaccount | | 800,000 |
| Recreation improvement account | | 333,400 |
| Recreation passport fees | | 272,600 |
| Snowmobile registration fee revenue | | 15,800 |
| Snowmobile trail improvement fund | | 1,441,400 |
| State general fund/general purpose | $ | 2,452,500 |
| **Sec. 110. MACKINAC ISLAND STATE PARK COMMISSION** | | |
| Full-time equated classified positions ... 17.0 | | |
| Historical facilities system—13.0 FTE positions | $ | 1,573,000 |
| Mackinac Island State Park operations—4.0 FTE positions | | 352,100 |
| GROSS APPROPRIATION | $ | 1,925,100 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Mackinac Island State Park fund | | 1,573,000 |
| Mackinac Island State Park operation fund | | 148,500 |
| State general fund/general purpose | $ | 203,600 |
| **Sec. 111. FOREST RESOURCES DIVISION** | | |
| Full-time equated classified positions ... 326.5 | | |
| Adopt-a-forest program | $ | 25,000 |
| Cooperative resource programs—11.0 FTE positions | | 1,547,100 |
| Forest management and timber market development—176.0 FTE positions | | 31,134,300 |
| Forest fire equipment | | 581,500 |
| Wildfire protection—114.0 FTE positions | | 13,712,800 |
| Forest management initiatives—8.5 FTE positions | | 854,100 |
| Minerals management—17.0 FTE positions | | 2,828,600 |
| GROSS APPROPRIATION | $ | 50,683,400 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 4,273,300 |
| Special revenue funds: | | |
| Private funds | | 1,054,900 |
| Commercial forest fund | | 24,500 |
| Fire equipment fund | | 668,700 |
| Forest development fund | | 32,599,800 |
| Forest land user charges | | 221,100 |
| Game and fish protection fund | | 1,932,000 |
| Michigan state parks endowment fund | | 2,659,100 |
| Michigan state waterways fund | | 50,900 |
| State general fund/general purpose | $ | 7,199,100 |
| **Sec. 112. GRANTS** | | |
| Dam management grant program | $ | 350,000 |
| Deer habitat improvement partnership initiative | | 200,000 |
| Federal - clean vessel act grants | | 400,000 |
| Federal - forest stewardship grants | | 3,000,000 |
| Federal - land and water conservation fund payments | | 2,566,900 |
| Federal - rural community fire protection | | 400,000 |
| Federal - urban forestry grants | | 1,600,000 |
| Fisheries habitat improvement grants | | 1,250,000 |
| Grants to communities - federal oil, gas, and timber payments | | 3,450,000 |
| Grants to counties - marine safety | | 3,074,700 |
| National recreational trails | | 3,900,000 |
| Nonmotorized trail development and maintenance grants | | 350,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Off-road vehicle safety training grants | $ | 29,200 |
| Off-road vehicle trail improvement grants | | 3,356,200 |
| Recreation improvement fund grants | | 657,100 |
| Recreation passport local grants | | 1,500,000 |
| Snowmobile law enforcement grants | | 380,100 |
| Snowmobile local grants program | | 7,340,400 |
| Trail easements | | 700,000 |
| Wildlife habitat improvement grants | | 1,500,000 |
| GROSS APPROPRIATION | $ | 36,004,600 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 16,884,300 |
| Special revenue funds: | | |
| Private funds | | 100,000 |
| Game and fish protection fund | | 2,750,000 |
| Game and fish protection fund - deer habitat reserve | | 200,000 |
| Local public recreation facilities fund | | 1,500,000 |
| Marine safety fund | | 1,407,300 |
| Off-road vehicle safety education fund | | 29,200 |
| Off-road vehicle trail improvement fund | | 3,356,200 |
| Permanent snowmobile trail easement fund | | 700,000 |
| Recreation improvement account | | 657,100 |
| Snowmobile registration fee revenue | | 380,100 |
| Snowmobile trail improvement fund | | 7,340,400 |
| State general fund/general purpose | $ | 700,000 |
| **Sec. 113. INFORMATION TECHNOLOGY** | | |
| Information technology services and projects | $ | 10,284,000 |
| GROSS APPROPRIATION | $ | 10,284,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Commercial forest fund | | 2,100 |
| Forest development fund | | 1,566,300 |
| Forest land user charges | | 23,900 |
| Forest recreation account | | 42,000 |
| Game and fish protection fund | | 3,741,400 |
| Game and fish protection fund - deer habitat reserve | | 61,600 |
| Game and fish protection fund - turkey permit fees | | 33,800 |
| Game and fish protection fund - waterfowl fees | | 3,300 |
| Game and fish protection fund - wildlife resource protection fund | | 42,100 |
| Game and fish protection fund - youth hunting and fishing education and outreach fund | | 2,000 |
| Land exchange facilitation fund | | 30,600 |
| Marine safety fund | | 160,400 |
| Michigan natural resources trust fund | | 22,300 |
| Michigan state parks endowment fund | | 1,341,000 |
| Michigan state waterways fund | | 484,200 |
| Michigan trailways fund | | 100 |
| Nongame wildlife fund | | 30,500 |
| Off-road vehicle safety education fund | | 10,400 |
| Off-road vehicle trail improvement fund | | 21,800 |
| Park improvement fund | | 1,358,300 |
| Recreation improvement account | | 48,900 |
| Snowmobile registration fee revenue | | 11,600 |
| Snowmobile trail improvement fund | | 74,400 |
| Sportsmen against hunger fund | | 600 |
| State general fund/general purpose | $ | 1,170,400 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **Sec. 114. CAPITAL OUTLAY** | | |
| **(1) RECREATIONAL LANDS AND INFRASTRUCTURE** | | |
| State parks repair and maintenance | $ | 13,500,000 |
| State game and wildlife area infrastructure | | 3,600,000 |
| Forest development infrastructure | | 2,000,000 |
| GROSS APPROPRIATION | $ | 19,100,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 2,700,000 |
| Special revenue funds: | | |
| Forest development fund | | 2,000,000 |
| Game and fish protection fund | | 900,000 |
| Park improvement fund | | 4,000,000 |
| Recreation passport fees | | 8,000,000 |
| State general fund/general purpose | $ | 1,500,000 |
| **(2) WATERWAYS BOATING PROGRAM** | | |
| Local boating infrastructure maintenance and improvements | $ | 658,000 |
| State boating infrastructure maintenance | | 4,575,000 |
| Munising, Alger County, marina improvements, dock extension, floating pier, revetment wall construction (total authorized cost is increased from $2,894,800 to $3,594,800; federal share is $1,500,000; state share is increased from $437,400 to $787,400; local share is increased from $957,400 to $1,307,400) | | 350,000 |
| Harrisville, Alcona County, harbor pier repair, reinforcement and bedecking, construction of boater gathering area, phase I (total authorized cost is $577,900; state share is 492,100; local share is $85,800) | | 492,100 |
| GROSS APPROPRIATION | $ | 6,075,100 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 1,075,000 |
| Special revenue funds: | | |
| Michigan state waterways fund | | 5,000,100 |
| State general fund/general purpose | $ | 0 |
| **Sec. 115. ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Forestry investment | $ | 2,100,000 |
| Invasive species (one-time) | | 1,000,000 |
| Land ownership tracking system | | 4,000,000 |
| Forest fire equipment (one-time) | | 1,000,000 |
| Fisheries resource management (one-time) | | 600,000 |
| Swimmer's itch pilot program | | 250,000 |
| Water trail development | | 100,000 |
| GROSS APPROPRIATION | $ | 9,050,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 100,000 |
| Special revenue funds: | | |
| Forest development fund | | 5,100,000 |
| Game and fish protection fund | | 300,000 |
| Land exchange facilitation fund | | 1,000,000 |
| Michigan natural resources trust fund | | 600,000 |
| Michigan state parks endowment fund | | 300,000 |
| State general fund/general purpose | $ | 1,650,000 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $317,066,400.00 and state spending from state resources to be paid to local units

of government for fiscal year 2016-2017 is $6,100,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

| | | |
|---|---|---|
| DEPARTMENT OF NATURAL RESOURCES | | |
| GRANTS | | |
| Dam management grant program | $ | 175,000 |
| Fisheries habitat improvement grants | | 200,000 |
| Grants to counties – marine safety | | 1,407,300 |
| Nonmotorized trail development and maintenance grants | | 262,500 |
| Off-road vehicle safety training grants | | 29,200 |
| Off-road vehicle trail improvement grants | | 530,100 |
| Recreation improvement fund grants | | 65,700 |
| Recreation passport local grants | | 1,500,000 |
| Snowmobile law enforcement grants | | 380,100 |
| Wildlife habitat improvement grants | | 50,000 |
| CAPITAL OUTLAY | | |
| Waterways boating program | $ | 1,500,100 |
| TOTAL | $ | 6,100,000 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of natural resources.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated.

(d) "IDG" means interdepartmental grant.

Sec. 204. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 205. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 208. Funds appropriated in this part and part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $3,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees chairs, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2016 and September 30, 2017.

Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $47,567,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $26,375,000.00. Total agency appropriations for retiree health care legacy costs are estimated at $21,192,500.00.

Sec. 215. Appropriations of state restricted game and fish protection funds have been made in the following amounts to the following departments and agencies:

| | | |
|---|---|---|
| Legislative auditor general | $ | 31,300 |
| Attorney general | | 751,100 |
| Department of technology, management, and budget | | 464,500 |
| Department of treasury | | 2,925,200 |

Sec. 216. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection account of the Michigan conservation and recreation legacy fund, $6,000,000.00 for the fiscal year ending September 30, 2017.

Sec. 218. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 219. Before January 31, 2017, the department, in cooperation with the Michigan state waterways commission, shall provide to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies a list of projects completed by the commission in fiscal year 2015-2016, including the county and municipality in which each project is located.

Sec. 220. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

**DEPARTMENT INITIATIVES**

Sec. 251. From the amounts appropriated in part 1 for invasive species prevention and control, the department shall allocate not less than $3,600,000.00 for grants for the prevention, detection, eradication, and control of invasive species.

**DEPARTMENT SUPPORT SERVICES**

Sec. 302. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2017, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 303. As appropriated in part 1, the department may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director of the department at a rate which allows the department to recover its costs for providing these services.

**COMMUNICATION AND CUSTOMER SERVICES**

Sec. 404. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 405. As appropriated in part 1, proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house appropriations subcommittees on natural resources 1 week prior to any auctions or sales. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 406. As appropriated in part 1, funds collected by the department for historical markers; document reproduction and services; conferences, admissions, workshops, and training classes; and the use of specialized equipment, facilities, exhibits, collections, and software shall be used for expenses necessary to provide the required services. The department may charge fees for the aforementioned services, including admission fees. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 408. By October 21, 2016, the department shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the natural resources commission in the fiscal year ending September 30, 2016. For each land transaction, the report shall include the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and whether the transaction is by purchase, public auction, transfer, exchange, or conveyance.

**WILDLIFE DIVISION**

Sec. 503. From the funds appropriated in part 1, the department shall produce a report detailing any efforts undertaken to enforce the invasive species order on swine raised under the husbandry of residents of this state. The report shall include fund sources used and the amount of expenditures and shall be submitted to the legislature by December 31, 2016.

Sec. 504. From the funds appropriated in part 1, the department shall provide a report to the legislature on the use of registration fees collected from privately owned cervid operations. Appropriations in part 1 from cervidae licensing and inspection fees shall not be used for anything other than work directly related to the regulation of privately owned cervid operations in this state.

Sec. 505. From the funds appropriated in part 1, the department shall develop an urban deer management plan and use it as a basis for discussions with communities to encourage practical, efficient, and science-based management of urban deer nuisance and public safety concerns.

**FISHERIES DIVISION**

Sec. 601. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than $758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division in the department shall develop priority and cost estimates for all projects recommended for grants under subsection (1).

Sec. 602. As a condition of expenditure of fisheries management appropriations under part 1, the department of natural resources shall not impede the certification process for water control structures on Michigan waterways. The department of natural resources shall fund from funds appropriated in part 1 all non-water-quality studies or requirements that the department requests of either of the following:

(a) The department of environmental quality as a condition for issuance of a certification under section 401 of the federal water pollution control act, 33 USC 1341.

(b) The Federal Energy Regulatory Commission as a condition of licensing under the federal power act, 16 USC 791a to 825r.

Sec. 603. The department shall provide an annual report to the legislature on use of funding provided for cormorant management. The department shall use general fund/general purpose revenue for this purpose and submit revenue appropriated in part 1 for cormorant management to the United States Department of Agriculture Animal and Plant Health Inspection Service to allow for increased taking of cormorants and their nests. If any funds appropriated for cormorant management are retained by the department, or other funds become available for this purpose, the department shall use those funds to harass cormorants with the goal of reducing foraging attempts on fish populations.

**PARKS AND RECREATION DIVISION**

Sec. 706. The department shall work with the state budget office to ensure that the funds appropriated in 2013 PA 102 for the Grand River waterway study continue to be carried forward as a work project under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, or until the project is complete.

**FOREST RESOURCES DIVISION**

Sec. 802. From the funds appropriated in part 1, the department shall provide quarterly reports on the number of acres of state forestland marked or treated for timber harvest to the senate and house appropriations subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues. The department shall complete and deliver these reports by 45 days after the end of the fiscal quarter.

Sec. 803. In addition to the money appropriated in part 1, the department may receive and expend money from federal sources to provide response to wildfires as required by a compact with the federal government. If additional expenditure authorization is required, the department shall notify the state budget office that expenditure under this section is required. The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies of the expenditures under this section by November 1, 2017.

Sec. 807. (1) In addition to the funds appropriated in part 1, there is appropriated from the disaster and emergency contingency fund up to $800,000.00 to cover costs related to any disaster as defined in section 2 of the emergency management act, 1976 PA 390, MCL 30.402.

(2) Funds appropriated under subsection (1) shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations. By December 1 each year, the department shall provide a report to the senate and house fiscal agencies and the state budget office on the use of the disaster and emergency contingency fund during the prior fiscal year.

(3) If Federal Emergency Management Agency (FEMA) reimbursement is approved for costs paid from the disaster and emergency contingency fund, the federal revenue shall be deposited into the disaster and emergency contingency fund.

(4) Unexpended and unencumbered funds remaining in the disaster and emergency contingency fund at the close of the fiscal year shall not lapse to the general fund and shall be carried forward and be available for expenditures in subsequent fiscal years.

Sec. 808. (1) From the increased funds appropriated in part 1 for forest management and timber market development, the department shall increase the harvest of timber on state forestlands. The purpose of this program expansion is to expand the forest products economy.

(2) The department shall identify specific outcomes and performance metrics for this initiative, such as increasing the number of acres prepared for timber sale.

Sec. 809. (1) From the increased funds appropriated in part 1 for forest fire equipment and forestry investment, the department shall increase funding for the replacement of aging forest fire suppression equipment that is in disrepair. The purpose of the program expansion is to promote rapid, reliable response to wildfires to protect life, property, and timber assets.

(2) The department shall identify specific outcomes and performance metrics for this initiative, such as reducing average wildfire response time.

**LAW ENFORCEMENT**

Sec. 901. The appropriation in part 1 for snowmobile law enforcement grants shall be used by the department to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82161, including rules promulgated under that part and ordinances enacted pursuant to that part. The department shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee subaccount created under section 82111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82111. Counties shall provide semiannual reports to the department on the use of grant money received under this section.

Sec. 902. The department shall provide a report on the marine safety grant program to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies by December 1, 2016. The report shall include the following information for the preceding year: the total amount of revenue received for watercraft registrations, the amount deposited into the marine safety fund, and the expenditures made from the marine safety fund, including the amounts expended for department administration, other state agencies, the law enforcement division, and grants to counties. The report shall also include the distribution methodology used by the department to distribute the marine safety grants and a list of the grants and the amounts awarded by county.

**GRANTS**

Sec. 1001. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2016, the department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2016.

**CAPITAL OUTLAY**

Sec. 1103. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

**ONE-TIME BASIS ONLY APPROPRIATIONS**

Sec. 1201. (1) From the increased funds appropriated in part 1 for forest management and timber market development, the department shall increase the harvest of timber on state forestlands. The purpose of this program expansion is to strategically invest in technology enhancements to expand the growth of the forest products economy.

(2) The department shall identify specific outcomes and performance metrics for this initiative, such as adding online services to increase access to state government.

Sec. 1202. (1) From the increased funds appropriated in part 1 for land ownership tracking system, the department shall establish a replacement electronic system to facilitate state land records management. The purpose of this new project is to increase access to public land records and to integrate antiquated systems.

(2) The department shall identify specific outcomes and performance metrics for this initiative, such as adding online services to increase access to state government.

Sec. 1203. (1) From the increased funds appropriated in part 1 for invasive species prevention and control, the department shall increase funding available for the interdepartmental invasive species program. The purpose of this program expansion is to prevent, detect, eradicate, and control invasive species.

(2) The department shall identify specific outcomes and performance metrics for this initiative, such as prevention and mitigation of confirmed cases of silver and bighead carp in Michigan's waterways.

Sec. 1204. The appropriation in part 1 for the swimmer's itch pilot program shall be distributed to a Michigan-based nonprofit organization for the purpose of pursuing comprehensive, science-based swimmer's itch mitigation and research by appropriately qualified subject matter experts. It is the intent of the legislature that this program continue to receive funding through the fiscal year ending September 30, 2019.

ARTICLE XVI

DEPARTMENT OF STATE POLICE

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of state police for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF STATE POLICE**

| | | | |
|---|---|---|---|
| APPROPRIATION SUMMARY | | | |
| Full-time equated unclassified positions | 3.0 | | |
| Full-time equated classified positions | 3,226.0 | | |
| GROSS APPROPRIATION | | $ | 649,476,100 |
| Interdepartmental grant and intradepartmental transfer revenues: | | | |
| Total interdepartmental grants and intradepartmental transfers | | | 26,580,400 |
| ADJUSTED GROSS APPROPRIATION | | $ | 622,895,700 |
| Federal revenues: | | | |
| Total federal revenues | | | 87,967,800 |
| Special revenue funds: | | | |
| Total local revenues | | | 5,828,500 |
| Total private revenues | | | 78,100 |
| Total other state restricted revenues | | | 126,358,500 |
| State general fund/general purpose | | $ | 402,662,800 |
| State general fund/general purpose schedule: | | | |
| Ongoing state general fund/general purpose | $393,962,800 | | |
| One-time state general fund/general purpose | 8,700,000 | | |
| **Sec. 102. EXECUTIVE DIRECTION AND DEPARTMENTAL SERVICES** | | | |
| Full-time equated unclassified positions | 3.0 | | |
| Full-time equated classified positions | 103.0 | | |
| Unclassified positions—3.0 FTE positions | | $ | 600,200 |
| Information technology services and projects | | | 24,425,900 |
| Departmentwide | | | 38,607,700 |
| Departmental services—46.0 FTE positions | | | 7,001,900 |
| Executive direction—57.0 FTE positions | | | 8,015,800 |
| GROSS APPROPRIATION | | $ | 78,651,500 |
| Appropriated from: | | | |
| Interdepartmental grant and intradepartmental transfer revenues: | | | |
| Total interdepartmental grants and intradepartmental transfers | | | 776,500 |
| Federal revenues: | | | |
| Total federal revenues | | | 1,328,000 |
| Special revenue funds: | | | |
| Total local revenues | | | 1,133,100 |
| Total other state restricted revenues | | | 12,619,500 |
| State general fund/general purpose | | $ | 62,794,400 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| **Sec. 103. LAW ENFORCEMENT SERVICES** | | |
| Full-time equated classified positions ..... 505.0 | | |
| Biometrics and identification—51.0 FTE positions | $ | 8,145,400 |
| Criminal justice information center—133.0 FTE positions | | 18,485,400 |
| Forensic science—248.0 FTE positions | | 41,556,700 |
| Grants and community services—17.0 FTE positions | | 17,584,000 |
| Training—56.0 FTE positions | | 13,030,600 |
| GROSS APPROPRIATION | $ | 98,802,100 |
| Appropriated from: | | |
| Interdepartmental grant and intradepartmental transfer revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 6,216,500 |
| Federal revenues: | | |
| Total federal revenues | | 17,261,400 |
| Special revenue funds: | | |
| Total local revenues | | 915,300 |
| Total other state restricted revenues | | 35,084,000 |
| State general fund/general purpose | $ | 39,324,900 |
| **Sec. 104. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS** | | |
| Full-time equated classified positions ..... 18.0 | | |
| Standards and training/justice training grants—14.0 FTE positions | $ | 9,094,500 |
| Training only to local units—3.0 FTE positions | | 654,100 |
| Public safety officers benefit program—1.0 FTE position | | 151,100 |
| GROSS APPROPRIATION | $ | 9,899,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total federal revenues | | 175,700 |
| Special revenue funds: | | |
| Total other state restricted revenues | | 8,830,700 |
| State general fund/general purpose | $ | 893,300 |
| **Sec. 105. FIELD SERVICES** | | |
| Full-time equated classified positions ..... 2,089.0 | | |
| Investigative services—150.5 FTE positions | $ | 28,626,500 |
| Secure cities partnership—30.0 FTE positions | | 7,718,000 |
| Roadside saliva testing pilot project | | 100 |
| Post operations—1,908.5 FTE positions | | 279,967,400 |
| GROSS APPROPRIATION | $ | 316,312,000 |
| Appropriated from: | | |
| Interdepartmental grant and intradepartmental transfer revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 6,776,800 |
| Federal revenues: | | |
| Total federal revenues | | 6,590,000 |
| Special revenue funds: | | |
| Total local revenues | | 2,079,000 |
| Total other state restricted revenues | | 44,556,900 |
| State general fund/general purpose | $ | 256,309,300 |
| **Sec. 106. SPECIALIZED SERVICES** | | |
| Full-time equated classified positions ..... 511.0 | | |
| Hazardous materials programs—25.0 FTE positions | $ | 35,114,400 |
| Commercial vehicle enforcement and inspections—194.0 FTE positions | | 24,199,100 |
| Commercial vehicle regulation—22.0 FTE positions | | 4,179,600 |
| Emergency management and homeland security—60.0 FTE positions | | 14,933,800 |
| Highway safety planning—26.0 FTE positions | | 16,130,000 |
| Special operations—183.0 FTE positions | | 31,485,900 |
| Secondary road patrol program—1.0 FTE position | | 11,068,000 |
| GROSS APPROPRIATION | $ | 137,110,800 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| Interdepartmental grant and intradepartmental transfer revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | $ | 12,810,600 |
| Federal revenues: | | |
| Total federal revenues | | 62,612,700 |
| Special revenue funds: | | |
| Total local revenues | | 1,701,100 |
| Total private revenues | | 78,100 |
| Total other state restricted revenues | | 25,267,400 |
| State general fund/general purpose | $ | 34,640,900 |
| **Sec. 107. ONE-TIME APPROPRIATIONS** | | |
| Trooper recruit school | $ | 3,200,000 |
| Sexual assault prevention and education initiative | | 500,000 |
| Advanced 9-1-1 | | 2,200,000 |
| Michigan International Speedway traffic control | | 800,000 |
| School safety initiative | | 2,000,000 |
| GROSS APPROPRIATION | $ | 8,700,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 8,700,000 |

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $529,021,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is $17,198,900.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE POLICE

| | | |
|---|---|---|
| Michigan Commission on law enforcement standards | $ | 3,559,700 |
| Specialized services | | 681,900 |
| Secondary road patrol program | | 10,957,300 |
| School safety initiative | | 2,000,000 |
| TOTAL | $ | 17,198,900 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "CJIS" means Criminal Justice Information Systems.

(b) "Core service" means that phrase as defined in section 373 of the management and budget act, 1984 PA 431, MCL 18.1373.

(c) "Department" means the department of state police.

(d) "Director" means the director of the department.

(e) "DNA" means deoxyribonucleic acid.

(f) "DTMB" means the department of technology, management, and budget.

(g) "MCOLES" means the Michigan commission on law enforcement standards.

(h) "Subcommittees" means the subcommittees of the senate and house standing committees on appropriations with jurisdiction over the budget for the department.

(i) "Support service" means an activity required to support the ongoing delivery of core services.

Sec. 204. The following are the appropriations from part 1 for interdepartmental grant funds received by the department from sources outside the department: $2,858,700.00 from training academy charges; $344,200.00 from the department of corrections contract; $369,900.00 from the department of state; $11,627,600.00 from the department of transportation - state trunkline funds; $6,174,100.00 from casino gaming fees; $689,900.00 from the department of treasury - emergency telephone fund coordinator; and $750,800.00 from the department of treasury - emergency telephone fund operations.

Sec. 204a. (1) The following are the appropriations from part 1 for interdepartmental grant funds made from the department to other departments:

| | | |
|---|---|---|
| Attorney general - operations | $ | 257,300 |
| Environmental quality | | 1,744,500 |
| Military and veterans affairs | | 101,800 |

| | |
|---|---|
| DTMB – building occupancy charges | 8,770,100 |
| DTMB – accounting service center | 1,058,500 |
| DTMB – information technology | 24,425,900 |

(2) Based on the availability of federal funding and the demonstrated need as indicated by applications submitted to the state court administrative office, the department shall provide $1,500,000.00 in Byrne justice assistance grant program funding to the judiciary by interdepartmental grant.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $3,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $200,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 208. The department and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 and this part shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 215. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 218. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

(b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 219. The department shall provide quarterly reports to the subcommittees, the senate and house fiscal agencies, and the state budget office that provide the following data:

(a) A list of major work projects, including the status of each project.

(b) The department's financial status, featuring a report of budgeted versus actual expenditures by part 1 line item including a year-end projection of budget requirements. If projected department budget requirements exceed the allocated budget, the report shall include a plan to reduce overall expenses while still satisfying specified service level requirements.

(c) A report on the performance metrics cited or information required to be reported in this part, reasons for nonachievement of metric targets, and proposed corrective actions.

Sec. 221. The appropriations in part 1 are for the core services, support services, and work projects of the department, including, but not limited to, the following core services:

(a) State security operations.

(b) Training.

(c) Michigan commission on law enforcement standards.

(d) Criminal justice information systems.

(e) Forensic analysis and biometric identification.

(f) General law enforcement and criminal investigations.

(g) Special operations.

(h) Commercial vehicle regulation and enforcement.

(i) Emergency management and homeland security.

(j) Highway safety planning.

(k) Secondary road patrol program.

Sec. 222. The department shall notify the subcommittees, the chairpersons of the senate and house standing committees on appropriations, and the senate and house fiscal agencies not less than 90 days before recommending to close or consolidate any state police posts. The notification shall include a local and state impact study of the proposed post closure or consolidation.

Sec. 223. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 224. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 226. (1) When the department provides contractual services to a local unit of government, the department shall be reimbursed for all costs incurred in providing the services, including, but not limited to, retirement and overtime costs.

(2) The department shall define service cost models for those services requiring reimbursement.

(3) Contractual services provided to an entity other than a local unit of government may be provided by department personnel, but only on an overtime basis outside the normal work schedule of the personnel.

(4) This section does not apply to services provided to state agencies.

Sec. 228. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriations lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees, the subcommittees, and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the subcommittees, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2016 and September 30, 2017.

Sec. 230. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 232. The department shall serve as an active liaison between the DTMB and state, local, regional, and federal public safety agencies on matters pertaining to the Michigan public safety communications system and shall report user issues to the DTMB.

Sec. 233. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $133,307,100.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $71,007,700.00. Total agency appropriations for retiree health care legacy costs are estimated at $62,299,400.00.

Sec. 238. Money privately donated to the department is appropriated under part 1 to be used for the purposes designated by the donor of the money, if specified.

Sec. 241. (1) Federal revenues authorized by and available from the federal government in excess of the appropriation in part 1 are appropriated and may be received and expended by the department for purposes authorized under state law and subject to federal requirements.

(2) The department shall notify the subcommittees and fiscal agencies prior to expending federal revenues received and appropriated under subsection (1).

**EXECUTIVE DIRECTION AND DEPARTMENTAL SERVICES**

Sec. 301. (1) The department shall provide security services at the State Capitol Complex facilities and the State Secondary Complex as provided under section 6c of 1935 PA 59, MCL 28.6c.

(2) The department shall maintain the staff and resources necessary to respond to emergencies at the State Capitol Complex, State Secondary Complex, House Office Building, Farnum Building, Capitol parking lot, Townsend Parking Ramp, the Roosevelt Parking Ramp, and other areas as directed.

(3) The department may develop a phased approach for improving security at the Capitol Building.

(4) The department shall maintain a goal of annually conducting 35,000 property inspections of state owned and leased facilities.

**LAW ENFORCEMENT SERVICES**

Sec. 401. (1) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning the development and delivery of professional, innovative, and quality training that supports the enforcement and public safety efforts of the criminal justice community.

(2) The department shall provide performance data as provided under section 219 for average classroom occupancy rate, with an annual goal of at least 55%.

(3) The department shall submit a report to the subcommittees and the senate and house fiscal agencies within 60 days of the conclusion of any trooper, motor carrier, or state properties security recruit school. The report shall include the following:

(a) The number of veterans and the number of MCOLES-certified police officers who were admitted to and the number who graduated from the recruit school.

(b) The total number of recruits who were admitted to the school, the number of recruits who graduated from the school, and the location at which each of these recruits is assigned.

(4) The department shall distribute and review course evaluations to ensure that quality training is provided.

Sec. 402. (1) In accordance with applicable state and federal laws and regulations, the department shall maintain and ensure compliance with CJIS databases and applications in the support of public safety and law enforcement communities.

(2) The department shall improve the accuracy, timeliness, and completeness of criminal history information by conducting a minimum of 30 outreach activities targeted to criminal justice agencies.

(3) The department shall provide for the compilation of crime statistics consistent with the uniform crime reporting (UCR) program and the national incident-based report system (NIBRS).

(4) The department shall provide for the compilation and evaluation of traffic crash reports and the maintenance of the state accident data collection system.

(5) The department shall make traffic crash information available to the public at a reasonable cost. For bulk access to the accident records in which the vehicle identification number has been collected and computerized, the department shall make those records available to the public at cost, provided that the name and address have been excluded.

(6) In accordance with applicable state and federal laws and regulations, the department shall provide for the maintenance and dissemination of criminal history records and juvenile records, including to the extent necessary to exchange criminal history records information with the Federal Bureau of Investigation and other states through the interstate identification index, the National Crime Information Center, and other federal CJIS databases and indices.

(7) In accordance with applicable state and federal laws, the department shall provide for the maintenance of records, including criminal history records regarding firearms licensure.

(8) The department shall provide to the legislature a report on concealed pistol licensing not later than December 1, 2017 that includes all of the following:

(a) The department's actual revenue received from fees paid for concealed pistol license (CPL) applications for fiscal year 2016-2017 and the uses of that revenue.

(b) The department's fiscal year 2016-2017 costs for administering its concealed pistol licensing responsibilities under 1927 PA 372, MCL 28.421 to 28.435, but not including costs related to the administration of other state statutes, or requirements of federal law.

(9) The department shall maintain the staff and resources necessary to maintain the sex offender registry and enforce the registration requirements as provided by law.

(10) The department shall provide information on the number of background checks processed through the Internet criminal history access tool (ICHAT) as provided in section 219.

(11) The following unexpended and unencumbered revenues deposited into the criminal justice information service fee fund shall not lapse to the general fund, but shall be carried forward into the subsequent fiscal year:

(a) Fees for fingerprinting and criminal record checks and name-based criminal record checks pursuant to 1935 PA 120, MCL 28.271 to 28.273.

(b) Fees for application and licensing for initial and renewal concealed pistol licenses pursuant to 1927 PA 372, MCL 28.421 to 28.435.

(c) Fees for searching, copying, and providing public records pursuant to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(d) Revenue from other sources, including, but not limited to, investment and interest earnings.

(12) Unexpended and unencumbered revenue generated by state records management system fees shall not lapse to the general fund, but shall be carried forward into the subsequent fiscal year.

Sec. 403. (1) The department shall provide forensic testing services to aid in criminal investigations.

(2) The department shall ensure its ability to maintain accreditation by the American Society of Crime Laboratory Directors/Laboratory Accreditation Board (ASCLD/LAB), or other federally designated accrediting agency, as provided under 42 USC 14132.

(3) The department shall provide forensic science services with an average turnaround time of 55 days, assuming an annual caseload volume commensurate with that received in fiscal year 2012-2013, and shall achieve a goal of a 30-day average turnaround time across all forensic science disciplines by December 31, 2017.

(4) The department shall provide the following data as provided in section 219:

(a) The average turnaround time for processing forensic evidence across all disciplines.

(b) Forensic laboratory staffing levels, including scientists in training, and vacancies.

(c) The number of backlogged cases in each discipline.

(5) The department shall maintain the staffing and resources necessary to provide forensic laboratory services with a goal of decreasing firearms backlog annually until the department maintains a 30-day turnaround time across all disciplines.

(6) The department shall maintain the staffing and resources necessary to provide forensic laboratory services with a goal of decreasing toxicology backlog annually until the department maintains a 30-day turnaround time across all disciplines.

(7) The department shall provide for the forensic testing and analysis/profiling of DNA evidence to aid criminal investigations by law enforcement agencies in this state.

(8) If changes are made to the department's protocol for retaining and purging DNA analysis samples and records, the department shall post a copy of the protocol changes on the department's website.

(9) The department shall maintain the staffing and resources necessary to provide DNA analysis services with a goal of decreasing backlogs of biology/DNA cases annually until the department maintains a 30-day turnaround time across all disciplines.

Sec. 404. (1) The biometrics and identification division shall house and manage the automated fingerprint identification system, the statewide network of agency photographs, and combined offender DNA index system biometric databases.

(2) The department shall provide data on the number of 10-print and palm-print submissions to the database, with a goal of at least 97% of submissions provided electronically as provided in section 219.

(3) The department shall maintain the staffing and resources necessary to have a 28-day average wait time for scheduling a polygraph examination, assuming an annual caseload received commensurate with fiscal year 2012-2013, with a goal of achieving a 15-day average wait time.

Sec. 405. Not later than October 31 of the subsequent fiscal year, the department shall submit a report to the subcommittees and senate and house fiscal agencies that includes, but is not limited to, all of the following information:

(a) Sexual assault kit analysis backlog at the beginning of the current fiscal year.

(b) The number of sexual assault kits collected or submitted for analysis during the current fiscal year.

(c) The number of sexual assault kits analyzed and the number of associated DNA profiles created and uploaded during the current fiscal year.

(d) Sexual assault kit analysis backlog at the ending of the current fiscal year.

(e) The average turnaround time to analyze sexual assault kits and to create and upload associated DNA profiles for the current fiscal year.

Sec. 406. The department shall provide administrative support for the following grant and community service programs:

(a) The operations of the automobile theft prevention authority.

(b) Administration of the Edward Byrne memorial justice assistance program and other grant programs as well as the department's community policing efforts.

(c) Oversight and administration of 9-1-1 operations statewide.

**MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

Sec. 501. (1) MCOLES shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities necessary to establish standards for the selection, employment, training, education, licensing, and revocation of all law enforcement officers and provide the basic law enforcement training curriculum for law enforcement training academy programs statewide.

(2) MCOLES shall maintain staffing and resources necessary to update law enforcement standards within 120 days of the enactment date of any new legislation.

**FIELD SERVICES**

Sec. 601. (1) Department enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations and are responsible for making every effort to protect all residents of this state.

(2) The department shall maintain the staffing and resources necessary to continually work to enhance traffic safety throughout this state and shall dedicate a minimum of 400,000 hours to statewide patrol, of which a minimum of 40,000 shall be committed to distressed cities in this state, and 4,000 shall be committed to Belle Isle. The department shall

work to improve public safety efforts within distressed cities by enhancing data analysis capabilities and identifying crime trends and areas with high occurrence of crime.

(3) The department shall maintain the staffing and resources necessary to perform activities to maintain a 93% compliance rate for reporting by registered sex offenders.

(4) The department shall submit a report on or before December 1 to the subcommittees and senate and house fiscal agencies regarding the secure cities partnership during the prior fiscal year.

Sec. 602. (1) The department shall identify and apprehend criminals through criminal investigations in this state.

(2) The department shall maintain the staffing and resources necessary to provide a comparable number of hours investigating crimes as those performed in fiscal year 2012-2013.

(3) The department shall maintain the staffing and resources necessary to annually meet or exceed a case clearance rate of 62%.

(4) The department shall annually provide 4 training opportunities to local law enforcement partners with the goal of increasing their knowledge of gambling laws, trends, legal issues, and opioid-related investigations.

(5) The department shall maintain the staffing and resources necessary to increase the number of opioid-related investigations by 20% above the number of such investigations conducted in the 2014-2015 fiscal year conducted by multijurisdictional task forces and hometown security teams. The department shall work to enhance investigative and drug interdiction efforts by enhancing data analysis capabilities and linking investigations among multijurisdictional task forces and hometown security teams.

Sec. 603. (1) The department shall provide protection to this state, its economy, welfare, and vital state-sponsored programs through the prevention and suppression of organized smuggling of untaxed tobacco products in the state, through enforcement of the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, and other laws pertaining to combating criminal activity in this state, by maintaining a tobacco tax enforcement unit.

(2) The department shall submit an annual report on December 1 to the subcommittees, the senate and house appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office that details expenditures and activities related to tobacco tax enforcement for the prior fiscal year.

(3) The tobacco tax enforcement unit shall dedicate a minimum of 16,600 hours to tobacco tax enforcement.

Sec. 604. (1) The department shall provide fire investigation services to citizens of this state through training and investigative assistance to public safety agencies in this state.

(2) The department shall maintain the staffing and resources necessary to maintain readiness to respond appropriately to at least the number of requests for fire investigation services that occurred in fiscal year 2010-2011 and shall be available for call out statewide 100% of the time.

**SPECIALIZED SERVICES**

Sec. 701. (1) The department shall provide specialized services in support of, and to enhance, local, state, and federal law enforcement operations within this state in accordance with all applicable state and federal laws and regulations.

(2) The department shall operate the Michigan intelligence operation center for homeland security as the state's primary federally designated fusion center to receive, analyze, gather, and disseminate threat-related information among federal, state, local, tribal, and private sector partners.

(3) The department shall ensure public safety by providing public and private sector partners with timely and accurate information regarding critical information key resource threats as reported to or discovered by the Michigan intelligence operations center for homeland security and shall increase public awareness on how to report suspicious activity through website or telephone communications.

(4) The department shall maintain the staffing and resources necessary to provide training to maintain readiness to respond appropriately to at least the number of requests for specialty services which occurred in fiscal year 2010-2011.

(5) The canine unit shall be available for call out statewide 100% of the time.

(6) The bomb squad unit shall be available for call out statewide 100% of the time.

(7) The emergency support teams shall be available for call out statewide 100% of the time.

(8) The underwater recovery unit shall be available for call out statewide 100% of the time.

(9) Aviation services shall be available for call out statewide 100% of the time, unless prohibited by weather or unexpected mechanical breakdowns.

(10) The department shall maintain the staffing and resources necessary to support the cyber section, including the Michigan cyber command center, the computer crimes unit, and the Internet crimes against children task force. The department shall maintain the staffing and resources necessary to increase the number of cases completed by the computer crimes unit by 20% above the number of cases completed in the 2014-2015 fiscal year. The unit shall pursue process improvement initiatives to effectively utilize staff resources in providing investigatory assistance and evidentiary analysis for law enforcement and criminal justice agencies statewide.

Sec. 702. (1) The department shall maintain commercial vehicle regulation, school bus inspections, and enforcement activities, including enforcement of requirements concerning size, weight, and load restrictions; operating authority; registration; fuel taxes; transportation of hazardous materials; operations of new entrants; and commercial driver's licenses.

(2) The department shall maintain the staffing and resources necessary to meet inspection goals consistent with the department's federal motor carrier assistance program activities.

(3) Revenue collected under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.42, shall be expended in accordance with that act. Unexpended and unencumbered revenues shall not lapse to the general fund but shall be carried forward into the subsequent fiscal year.

Sec. 703. (1) The department shall coordinate the mitigation, preparation, response, and recovery activities of municipal, county, state, and federal governments, and other governmental entities, for all hazards, disasters, and emergencies.

(2) The state director of emergency management may expend money appropriated under part 1 to call upon any agency or department of the state or any resource of the state to protect life or property or to provide for the health or safety of the population in any area of the state in which the governor proclaims a state of emergency or state of disaster under 1945 PA 302, MCL 10.31 to 10.33, or under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. The state director of emergency management may expend the amounts the director considers necessary to accomplish these purposes. The director shall submit to the state budget director as soon as possible a complete report of all actions taken under the authority of this section. The report shall contain, as a separate item, a statement of all money expended that is not reimbursable from federal money. The state budget director shall review the expenditures and submit recommendations to the legislature in regard to any possible need for a supplemental appropriation.

(3) In addition to the money appropriated in part 1, the department may receive and expend money from local, private, federal, or state sources for the purpose of providing emergency management training to local or private interests and for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the subcommittees and the senate and house fiscal agencies within 10 days after the approval. The notification shall include the amount and source and the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

(4) The department shall foster, promote, and maintain partnerships to protect this state and homeland from all hazards.

(5) The department shall maintain the staffing and resources necessary to do all of the following:

(a) Serve approximately 105 local emergency management preparedness programs and 88 local emergency planning committees in this state.

(b) Operate and maintain the state's emergency operations center and provide command and control in support of emergency response services.

(c) Maintain readiness, including training and equipment to respond to civil disorders and natural disasters commensurate with the capabilities of fiscal year 2010-2011.

(d) Perform hazardous materials response training.

(6) The department shall conduct a minimum of 3 training sessions to enhance safe response in the event of natural or manmade incidents, emergencies, or disasters.

(7) In addition to the funds appropriated in part 1, there is appropriated from the disaster and emergency contingency fund an amount necessary to cover costs related to any disaster or emergency as defined in the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. Funds shall be expended as provided under sections 18 and 19 of the emergency management act, 1976 PA 390, MCL 30.418 and 30.419, and R 30.51 to R 30.61 of the Michigan administrative code.

(8) Funds in the disaster and emergency contingency fund shall not be expended unless the state budget director approves the expenditure and the department and the state budget office notify the senate and house appropriations committees. If expenditures are made from the disaster and emergency contingency fund during a month, the department shall submit monthly reports to the house and senate fiscal agencies detailing the purpose of the expenditures. These monthly reports shall be submitted within 30 days after the end of the month during which funds from the disaster and emergency contingency fund were expended.

(9) Upon the declaration of a state of emergency or disaster by the governor pursuant to section 3 of the emergency management act, 1976 PA 390, MCL 30.403, approval of the state budget director, and notification of the subcommittees and house and senate fiscal agencies, the director may expend funds appropriated from any source to any line item within part 1 for the purpose of paying the necessary and reasonable expenses incurred by the department in responding to or mitigating the effects of any emergency or disaster as those terms are defined in section 2 of the emergency management act, 1976 PA 390, MCL 30.402.

Sec. 704. The department shall provide for the planning, administration, and implementation of highway traffic safety programs to save lives and reduce injuries on Michigan roads in partnership with other public and private organizations.

**SECONDARY ROAD PATROL PROGRAM**

Sec. 801. (1) The department shall provide funding to county sheriff departments to patrol secondary roads.

(2) The sheriffs' duties under the secondary road patrol program, as outlined in section 76(2) of 1846 RS 14, MCL 51.76, are to patrol and monitor traffic violations; to enforce the criminal laws of this state, violations of which are observed by or brought to the attention of the sheriff's department while patrolling and monitoring secondary roads; to investigate accidents involving motor vehicles; and to provide emergency assistance to persons on or near a highway or road the sheriff is patrolling and monitoring.

(3) The department shall provide the following information on secondary road patrol activities supported by appropriations in part 1, as provided in section 219:

(a) The number of funded full-time equivalent county sheriff secondary road patrol deputies.

(b) The number of hours dedicated to patrol under the secondary road patrol program, with an annual goal of at least 178,000 hours.

(4) The information required to be reported under subsection (3) shall be reported on an annual basis.

**ONE-TIME APPROPRIATIONS**

Sec. 901. (1) Funding appropriated in part 1 for the school safety initiative shall be used to provide and administer competitive grants to public or nonpublic schools, school districts, and intermediate school districts to purchase technology and equipment and to conduct assessments to improve the safety and security of school buildings, students, and staff.

(2) The department shall issue grant guidance and application materials including required performance measures no later than November 1, 2016 and shall issue awards no later than February 28, 2017.

(3) The department shall report on grant activities to the subcommittees and the state budget office by December 1, 2017, including performance outcomes as identified in individual grant agreements.

Sec. 902. (1) Funding provided in part 1 for the sexual assault prevention and education initiative shall be used to provide and administer grants to public or nonpublic community colleges, colleges, and universities with a physical presence in the state to address campus sexual assault issues to improve the safety and security of students, faculty, and staff in campus environments in the state.

(2) Grant funds awarded shall support sexual assault programs, including education, awareness, prevention, reporting, and bystander intervention programs.

(3) The department shall issue awards no later than December 1, 2016, with a grant period of 1 year.

(4) The department shall report on grant activities to the subcommittees and the state budget office by February 28, 2018.

(5) Unexpended and appropriations in part 1 for the sexual assault prevention and education initiative are designated as work project appropriations. Any unencumbered or unallotted funds at the end of the fiscal year shall be carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide grants for sexual assault education, awareness, prevention, reporting, and bystander intervention programs.

(b) The project will be accomplished by grants to eligible community colleges, colleges, and universities.

(c) The total estimated cost of the project is $500,000.00.

(d) The estimated completion date is September 30, 2018.

Sec. 903. Funding appropriated in part 1 for advanced 9-1-1 shall be used to support the costs for the administration and initial implementation of a supplemental 9-1-1 database that allows public safety answering points to view voluntarily disclosed information relevant to the 9-1-1 caller, including information on properties and household members, that would assist first responders in providing emergency services to the caller. The implementation of the database among public safety answering points and the funding for this purpose shall be overseen and administered by the office of the state 9-1-1 coordinator. Funds shall be payable by the office to a vendor based upon the number of public safety answering points implementing a supplemental database. Public safety answering points choosing to implement a supplemental database shall begin implementation by not later than October 1, 2018 to be eligible for funds provided under this section. Funds appropriated for advanced 9-1-1 shall be considered a work project, and unexpended and unencumbered funds shall be carried forward into the subsequent fiscal year.

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, excluding appropriations designated as one-time appropriations and adjusting for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2017 consensus revenue estimating conference.

ARTICLE XVII

STATE TRANSPORTATION DEPARTMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the state transportation department for the fiscal year ending September 30, 2017, from the following funds:

**STATE TRANSPORTATION DEPARTMENT**

APPROPRIATION SUMMARY

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

Full-time equated classified positions ..... 2,912.3

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| GROSS APPROPRIATION | | $ 4,114,503,600 |
| Total interdepartmental grants and intradepartmental transfers | | 4,013,400 |
| ADJUSTED GROSS APPROPRIATION | | $ 4,110,490,200 |
| Federal revenues: | | |
| Federal aid – transportation programs | | 1,314,744,000 |
| Total federal revenues | | 1,314,744,000 |
| Special revenue funds: | | |
| Local revenues | | 50,418,500 |
| Private revenues | | 100,000 |
| Total local and private revenues | | 50,518,500 |
| Blue Water Bridge fund | | 42,450,200 |
| Comprehensive transportation fund | | 320,500,700 |
| Economic development fund | | 36,475,000 |
| IRS debt service rebate | | 7,011,800 |
| Intercity bus equipment fund | | 100,000 |
| Local bridge fund | | 29,875,100 |
| Michigan transportation fund | | 1,333,620,100 |
| Qualified airport fund | | 8,775,000 |
| Rail freight fund | | 6,000,000 |
| State aeronautics fund | | 20,238,200 |
| State trunkline fund | | 931,681,600 |
| Total other state restricted revenues | | 2,736,727,700 |
| State general fund/general purpose | | $ 8,500,000 |
| State general fund/general purpose schedule: | | |
| Ongoing state general fund/general purpose | 0 | |
| One-time state general fund/general purpose | 8,500,000 | |
| **Sec. 102. DEBT SERVICE** | | |
| State trunkline | | $ 194,076,400 |
| Economic development | | 11,612,200 |
| Local bridge fund | | 2,406,500 |
| Blue Water Bridge fund | | 6,963,900 |
| Airport safety and protection plan | | 4,616,400 |
| Comprehensive transportation | | 18,249,900 |
| GROSS APPROPRIATION | | $ 237,925,300 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal aid – transportation programs | | 45,767,900 |
| Special revenue funds: | | |
| Blue Water Bridge fund | | 6,963,900 |
| Comprehensive transportation fund | | 18,249,900 |
| Economic development fund | | 11,612,200 |
| IRS debt service rebate | | 7,011,800 |
| Local bridge fund | | 2,406,500 |
| State aeronautics fund | | 4,616,400 |
| State trunkline fund | | 141,296,700 |
| State general fund/general purpose | | $ 0 |
| **Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES** | | |
| MTF grant to department of environmental quality | | $ 1,335,100 |
| MTF grant to department of state for collection of revenue and fees | | 20,000,000 |
| MTF grant to department of treasury | | 2,684,100 |
| MTF grant to legislative auditor general | | 315,800 |
| STF grant to department of attorney general | | 2,429,200 |
| STF grant to civil service commission | | 5,847,000 |
| STF grant to department of technology, management, and budget | | 1,226,000 |
| STF grant to department of state police | | 11,627,600 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| STF grant to department of treasury | $ | 157,900 |
| STF grant to legislative auditor general | | 733,500 |
| SAF grant to department of attorney general | | 177,600 |
| SAF grant to civil service commission | | 150,000 |
| SAF grant to department of technology, management, and budget | | 33,500 |
| SAF grant to department of treasury | | 73,900 |
| SAF grant to legislative auditor general | | 30,300 |
| CTF grant to department of attorney general | | 204,500 |
| CTF grant to civil service commission | | 200,000 |
| CTF grant to department of technology, management, and budget | | 42,200 |
| CTF grant to department of treasury | | 13,500 |
| CTF grant to legislative auditor general | | 39,000 |
| GROSS APPROPRIATION | $ | 47,320,700 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Comprehensive transportation fund | | 499,200 |
| Michigan transportation fund | | 24,335,000 |
| State aeronautics fund | | 465,300 |
| State trunkline fund | | 22,021,200 |
| State general fund/general purpose | $ | 0 |
| **Sec. 104. EXECUTIVE DIRECTION** | | |
| Full-time equated unclassified positions 6.0 | | |
| Full-time equated classified positions 29.3 | | |
| Unclassified salaries | $ | 754,000 |
| Asset management council | | 1,626,400 |
| Commission audit—29.3 FTE positions | | 3,335,900 |
| GROSS APPROPRIATION | $ | 5,716,300 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Michigan transportation fund | | 1,626,400 |
| State trunkline fund | | 4,089,900 |
| State general fund/general purpose | $ | 0 |
| **Sec. 105. BUSINESS SUPPORT** | | |
| Full-time equated classified positions 54.0 | | |
| Business support services—44.0 FTE positions | $ | 6,756,100 |
| Economic development and enhancement programs—10.0 FTE positions | | 1,633,200 |
| Property management | | 7,112,200 |
| Worker's compensation | | 1,711,200 |
| GROSS APPROPRIATION | $ | 17,212,700 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Comprehensive transportation fund | | 1,835,100 |
| Economic development fund | | 378,100 |
| Michigan transportation fund | | 801,100 |
| State aeronautics fund | | 752,100 |
| State trunkline fund | | 13,446,300 |
| State general fund/general purpose | $ | 0 |
| **Sec. 106. INFORMATION TECHNOLOGY** | | |
| Information technology services and projects | $ | 32,364,500 |
| GROSS APPROPRIATION | $ | 32,364,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal aid – transportation programs | | 520,500 |
| Special revenue funds: | | |
| Blue Water Bridge fund | | 55,100 |
| Comprehensive transportation fund | | 224,400 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Economic development fund | $ | 37,200 |
| Michigan transportation fund | | 293,300 |
| State aeronautics fund | | 175,100 |
| State trunkline fund | | 31,058,900 |
| State general fund/general purpose | $ | 0 |
| **Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES** | | |
| Full-time equated classified positions ... 186.0 | | |
| Finance, contracts, and support services—186.0 FTE positions | $ | 21,791,700 |
| GROSS APPROPRIATION | $ | 21,791,700 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG for accounting service center user charges | | 4,013,400 |
| Special revenue funds: | | |
| Michigan transportation fund | | 1,621,700 |
| State trunkline fund | | 16,156,600 |
| State general fund/general purpose | $ | 0 |
| **Sec. 108. TRANSPORTATION PLANNING** | | |
| Full-time equated classified positions ... 140.0 | | |
| Planning services—140.0 FTE positions | $ | 38,481,100 |
| Grants to regional planning councils | | 488,800 |
| GROSS APPROPRIATION | $ | 38,969,900 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal aid – transportation programs | | 19,250,000 |
| Special revenue funds: | | |
| Comprehensive transportation fund | | 610,500 |
| Michigan transportation fund | | 9,571,400 |
| State aeronautics fund | | 15,000 |
| State trunkline fund | | 9,523,000 |
| State general fund/general purpose | $ | 0 |
| **Sec. 109. DESIGN AND ENGINEERING SERVICES** | | |
| Full-time equated classified positions ... 1,589.3 | | |
| Program development, delivery, and systems operations—1,539.3 FTE positions | $ | 166,199,900 |
| Welcome center operations—50.0 FTE positions | | 4,532,800 |
| GROSS APPROPRIATION | $ | 170,732,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal aid – transportation programs | | 23,529,800 |
| Special revenue funds: | | |
| Michigan transportation fund | | 12,246,000 |
| State trunkline fund | | 134,956,900 |
| State general fund/general purpose | $ | 0 |
| **Sec. 110. HIGHWAY MAINTENANCE** | | |
| Full-time equated classified positions ... 743.7 | | |
| State trunkline operations—743.7 FTE positions | $ | 303,948,000 |
| GROSS APPROPRIATION | $ | 303,948,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State trunkline fund | | 303,948,000 |
| State general fund/general purpose | $ | 0 |
| **Sec. 111. ROAD AND BRIDGE PROGRAMS** | | |
| State trunkline federal aid and road and bridge construction | $ | 1,068,176,900 |
| Local federal aid and road and bridge construction | | 272,511,000 |
| Grants to local programs | | 33,000,000 |
| Rail grade crossing | | 3,000,000 |
| Rail grade crossing - surface improvements | | 3,000,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Local bridge program | $ | 27,468,600 |
| County road commissions | | 797,470,600 |
| Cities and villages | | 444,625,500 |
| GROSS APPROPRIATION | $ | 2,649,252,600 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal aid – transportation programs | | 1,030,225,800 |
| Special revenue funds: | | |
| Local funds | | 30,000,000 |
| Blue Water Bridge fund | | 28,998,100 |
| Local bridge fund | | 27,468,600 |
| Michigan transportation fund | | 1,281,096,100 |
| State trunkline fund | | 251,464,000 |
| State general fund/general purpose | $ | 0 |
| **Sec. 112. BLUE WATER BRIDGE** | | |
| Full-time equated classified positions ..... 41.0 | | |
| Blue Water Bridge operations—41.0 FTE positions | $ | 6,433,100 |
| GROSS APPROPRIATION | $ | 6,433,100 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Blue Water Bridge fund | | 6,433,100 |
| State general fund/general purpose | $ | 0 |
| **Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT** | | |
| Forest roads | $ | 5,000,000 |
| Rural county urban system | | 2,500,000 |
| Target industries/economic redevelopment | | 623,700 |
| Urban county congestion | | 8,161,900 |
| Rural county primary | | 8,161,900 |
| GROSS APPROPRIATION | $ | 24,447,500 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Economic development fund | | 24,447,500 |
| State general fund/general purpose | $ | 0 |
| **Sec. 114. AERONAUTICS SERVICES** | | |
| Full-time equated classified positions ..... 54.0 | | |
| Aviation services—54.0 FTE positions | $ | 7,648,800 |
| Air service program | | 250,000 |
| GROSS APPROPRIATION | $ | 7,898,800 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State aeronautics fund | | 7,898,800 |
| State general fund/general purpose | $ | 0 |
| **Sec. 115. PUBLIC TRANSPORTATION SERVICES** | | |
| Full-time equated classified positions ..... 36.0 | | |
| Passenger transportation services—36.0 FTE positions | $ | 5,740,500 |
| GROSS APPROPRIATION | $ | 5,740,500 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal aid – transportation programs | | 972,100 |
| Special revenue funds: | | |
| Comprehensive transportation fund | | 4,768,400 |
| State general fund/general purpose | $ | 0 |
| **Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING** | | |
| Local bus operating | $ | 186,250,000 |
| Nonurban operating/capital | | 26,027,900 |
| GROSS APPROPRIATION | $ | 212,277,900 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| Federal revenues: | | |
| Federal aid – transportation programs | $ | 24,027,900 |
| Special revenue funds: | | |
| Local funds | | 2,000,000 |
| Comprehensive transportation fund | | 186,250,000 |
| State general fund/general purpose | $ | 0 |
| **Sec. 117. INTERCITY PASSENGER** | | |
| Full-time equated classified positions 39.0 | | |
| Office of rail—39.0 FTE positions | $ | 6,427,700 |
| Freight property management | | 1,000,000 |
| Detroit/Wayne County Port Authority | | 468,200 |
| Intercity services | | 6,250,000 |
| Rail operations and infrastructure | | 118,894,800 |
| Marine passenger service | | 400,000 |
| Terminal development | | 300,000 |
| GROSS APPROPRIATION | $ | 133,740,700 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal aid – transportation programs | | 64,600,000 |
| Special revenue funds: | | |
| Local funds | | 150,000 |
| Private funds | | 100,000 |
| Comprehensive transportation fund | | 60,043,000 |
| Intercity bus equipment fund | | 100,000 |
| Michigan transportation fund | | 2,029,100 |
| Rail freight fund | | 6,000,000 |
| State trunkline fund | | 718,600 |
| State general fund/general purpose | $ | 0 |
| **Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT** | | |
| Specialized services | $ | 17,938,900 |
| Municipal credit program | | 2,000,000 |
| Transit capital | | 53,907,100 |
| Van pooling | | 195,000 |
| Service initiatives | | 2,889,200 |
| Transportation to work | | 3,700,000 |
| GROSS APPROPRIATION | $ | 80,630,200 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal aid – transportation programs | | 26,850,000 |
| Special revenue funds: | | |
| Local funds | | 5,760,000 |
| Comprehensive transportation fund | | 48,020,200 |
| State general fund/general purpose | $ | 0 |
| **Sec. 119. CAPITAL OUTLAY** | | |
| **(1) BUILDINGS AND FACILITIES** | | |
| Special maintenance, remodeling, and additions | $ | 3,001,500 |
| GROSS APPROPRIATION | $ | 3,001,500 |
| Appropriated from: | | |
| State trunkline fund | | 3,001,500 |
| State general fund/general purpose | $ | 0 |
| **(2) AIRPORT IMPROVEMENT PROGRAMS** | | |
| Airport safety, protection and improvement program | $ | 97,824,000 |
| Detroit Metropolitan Wayne County Airport | | 8,775,000 |
| GROSS APPROPRIATION | $ | 106,599,000 |

| | | For Fiscal Year Ending Sept. 30, 2017 |
|---|---|---|
| Appropriated from: | | |
| Federal revenues: | | |
| Federal aid – transportation programs | | 79,000,000 |
| Special revenue funds: | | |
| Local funds | | 12,508,500 |
| State aeronautics fund | | 6,315,500 |
| Qualified airport fund | | 8,775,000 |
| State general fund/general purpose | $ | 0 |
| **Sec. 120. ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Special grants | $ | 8,500,000 |
| GROSS APPROPRIATION | $ | 8,500,000 |
| Appropriated from: | | |
| State general fund/general purpose - one-time | $ | 8,500,000 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is $2,745,227,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is $1,590,461,200.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

STATE TRANSPORTATION DEPARTMENT

| | | |
|---|---|---|
| Grants to regional planning councils | $ | 488,800 |
| Grants to local programs | | 33,000,000 |
| Rail grade crossing | | 3,000,000 |
| Rail grade crossing - surface improvements | | 3,000,000 |
| Local bridge program | | 27,468,600 |
| Grants to county road commissions | | 797,470,600 |
| Grants to cities and villages | | 444,625,500 |
| Economic development fund | | 23,823,800 |
| Air service program | | 250,000 |
| Local bus operating | | 186,250,000 |
| Detroit/Wayne County Port Authority | | 468,200 |
| Marine passenger service | | 400,000 |
| Terminal development | | 300,000 |
| Specialized services | | 3,853,900 |
| Municipal credit program | | 2,000,000 |
| Transit capital | | 37,357,100 |
| Service initiatives | | 914,200 |
| Transportation to work | | 3,700,000 |
| Airport safety, protection, and improvement program | | 6,315,500 |
| Detroit metropolitan Wayne County airport | | 8,775,000 |
| Special grants | | 7,000,000 |
| Total payments to local units of government | $ | 1,590,461,200 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "CTF" means comprehensive transportation fund.

(b) "Department" means the state transportation department.

(c) "Director" means the director of the department.

(d) "DOT" means the United States Department of Transportation.

(e) "DOT-FHWA" means DOT, Federal Highway Administration.

(f) "FTE" means full-time equated.

(g) "IDG" means interdepartmental grant.

(h) "IRS" means the Internal Revenue Service.

(i) "MTF" means Michigan transportation fund.

(j) "SAF" means state aeronautics fund.

(k) "STF" means state trunkline fund.

Sec. 204. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 205. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

(b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 208. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $40,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees on transportation, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2016 and September 30, 2017.

Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are $70,450,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $39,063,000.00. Total agency appropriations for retiree health care legacy costs are estimated at $31,387,500.00.

Sec. 215. A department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 217. The department shall provide notice to the speaker of the house, the house minority leader, the senate majority leader, the senate minority leader, the house and senate standing committees on transportation, the appropriate house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on proposed federal rule changes related to the department that would require amendments to the laws of this state. The notice shall be given within 30 business days of the proposed federal rule being posted to the federal register and shall include a description of the proposed federal rule, the publication date, the date when public comment closes, the document citation, and a description of the statutory changes needed when the rule is finalized.

Sec. 270. In order to reduce costs and maintain quality, it is the intent of the legislature that, excluding the fleet of motor vehicles for the department of state police, the department will prioritize the utilization of remanufactured parts as the primary means of maintenance and repair for the state of Michigan's fleet of motor vehicles.

**DEPARTMENTAL SECTIONS**

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, unless otherwise stipulated by law. All permit fees are nonrefundable application fees and shall be credited to the appropriate fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

(2) A bridge authority shall hold 3 public hearings on an increase in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing. Public hearings held under this section shall be conducted in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall be conducted so as to provide a reasonable opportunity for public comment, including both spoken and written comments.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 305. (1) The department may permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department shall require that revenue from the tenants be placed in an account to be used to pay the costs to maintain and improve the property.

(2) The department shall charge public transit agencies and intercity bus carriers equal rates per square foot for leasing space in state-owned intermodal facilities.

Sec. 306. (1) The amounts appropriated in part 1 to support tax and fee collection, law enforcement, and other program services provided to the department and to transportation funds by other state departments shall be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts shall be executed prior to the expenditure or obligation of those funds. The contracts shall provide, but are not limited to, the following data applicable to each state department:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services provided to the department and/or transportation funds and financed with transportation funds.

(c) Detailed cost allocation methods appropriate to the type of services being provided and the activities financed with transportation funds.

(2) Not later than 2 months after publication of the state of Michigan comprehensive annual financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds. A copy of the report shall be submitted to the auditor general, and the report shall be subject to audit.

(3) The auditor general shall use a risk-based approach in developing an audit program for the use of transportation funds.

Sec. 307. Before March 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States Department of Transportation. The state infrastructure bank is to be administered by the department for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.

(2) In addition to funds provided in subsection (1), money received by the state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by the state as a result of projects funded by the program and interest earned on that money shall be deposited in the revolving state infrastructure bank fund and shall be available for transportation infrastructure projects. At the close of the fiscal year, any unencumbered funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

(3) The department shall submit a report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on the status of the state infrastructure bank. The report shall be submitted on or before December 1, 2016. The report shall include all of the following:

(a) The balance in the state infrastructure bank at September 30, 2016, including a breakdown of the balance by cash and cash equivalents, outstanding loans, and balance available for loan to local agencies.

(b) A breakdown of the state infrastructure loan balance by amounts designated as originating from federal sources and the amounts originating from nonfederal sources.

(c) A list of outstanding loans by agency, original loan amount, project description, loan term, and amount outstanding.

Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 376. The department shall not spend funds appropriated in part 1 for the purpose of examining the potential association between commercial signs, outdoor advertising signs, billboards, digital billboards, or commercial electronic variable message signs and motor vehicle activity or motor vehicle driver behavior.

Sec. 381. The department shall require as a condition of each contract or subcontract for construction, maintenance, or engineering services that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States. The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall report to the house and senate appropriations committees and the house and senate fiscal agencies by March 1 of each year describing the processes it has developed and implemented under provisions of this section. As used in this section, "E-Verify" means an Internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 382. In administering a contract with a county road commission, city, or village that allocates costs of construction or reconstruction of highways, roads, and streets as provided in section 18d of 1951 PA 51, MCL 247.668d, the department shall submit the final cost-sharing bill to the county road commission, city, or village not later than 2 years after the date of the final contract payment to the construction contractor.

Sec. 383. (1) The department shall prepare a report on use of department-owned aircraft during the fiscal year ending September 30, 2016. With respect to each department-owned aircraft, the report shall include all of the following:

(a) Total hours of usage.

(b) Description of specific flights including dates of travel, names of passengers including state agency, university, or local government affiliation, travel origin and destination, and total estimated costs associated with the air travel.

(2) The report shall be submitted to the senate and house appropriations subcommittees on transportation and the house and senate fiscal agencies no later than February 1, 2017.

(3) The department shall maintain a system for recovering the cost of operating department-owned aircraft through charges to aircraft users.

(4) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader or the speaker of the house of representatives and only when the aircraft is already scheduled by state agencies on related official state business.

(5) It is the intent of the legislature that the department work with the Michigan state police to establish a reciprocal agreement on employing fixed-wing aircraft with specifically designed equipment for use by the Michigan state police when conducting operations. The department shall submit a report regarding the status of a reciprocal agreement to the senate and house appropriations subcommittees on transportation and the house and senate fiscal agencies no later than February 1, 2017.

Sec. 384. (1) Except as otherwise provided in subsection (2), the department shall not obligate the state to expend any state transportation revenue for construction planning or construction of the Detroit River International Crossing or a renamed successor. In addition, except as provided in subsection (2), the department shall not commit the state to any new contract related to the construction planning or construction of the Detroit River International Crossing or a renamed successor that would obligate the state to expend any state transportation revenue. An expenditure for staff resources used in connection with project activities, which expenditure is subject to full and prompt reimbursement from Canada, shall not be considered an expenditure of state transportation revenue.

(2) If the legislature enacts specific enabling legislation for the construction of the Detroit River International Crossing or a renamed successor, subsection (1) does not apply once the enabling legislation goes into effect.

Sec. 385. (1) The department shall submit reports to the state budget director, the speaker of the house, the house minority leader, the senate majority leader, the senate minority leader, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on department activities related to all nonconstruction or construction planning activities related to the Detroit River International Crossing or a renamed successor. The initial report shall be submitted on or before December 1, 2016 and shall cover the fiscal year ending September 30, 2016.

(2) The initial report shall include, at a minimum, all of the following:

(a) Department costs incurred in the fiscal year ending September 30, 2016, including employee salaries, wages, benefits, travel, and contractual services, and what activities those costs were related to.

(b) Costs of other executive branch agencies incurred in the fiscal year ending September 30, 2016, including employee salaries, wages, benefits, travel, and contractual services, and what activities those costs were related to.

(c) A breakdown of the source of funds used for the activities described in subdivisions (a) and (b).

(d) A breakdown of reimbursements made by Canada under section 384(1) to the state for expenditures for staff resources used in connection with project activities.

(e) A narrative description of the status of the Detroit River International Crossing or a renamed successor, including efforts undertaken to implement provisions of the crossing agreement executed June 15, 2012 by representatives of the Canadian government and this state.

(3) After submission of the initial report, a subsequent report shall be submitted on March 1, 2017, June 1, 2017, and September 1, 2017 and shall include the same information described in subsection (2) for the applicable previous fiscal quarter.

Sec. 393. (1) The department shall promote best practices for public transportation services in this state, including, but not limited to, the following:

(a) Transit vehicle rehabilitation to reduce life-cycle cost of public transportation through midlife rehabilitation of transit buses.

(b) Cooperation between entities using transit, including school districts, cities, townships, and counties with a view to promoting cost savings through joint purchasing of fuel and other procurements.

(c) Coordination of transportation dollars among state departments which provide transit-related services, including the department of health and human services. Priority should be given to use of public transportation services where available.

(d) Promotion of intelligent transportation services for buses that incorporate computer and navigation technology to make transit systems more efficient, including stoplight coordinating, vehicle tracking, data tracking, and computerized scheduling.

(2) The department shall report on efforts taken to implement this section as well as section 393 of article XVII of 2011 PA 63. The department shall complete and submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on or before March 1, 2017.

Sec. 394. The department and local road agencies shall make the preservation of their existing road networks a funding priority.

Sec. 395. From the funds appropriated in part 1 for state trunkline federal aid road and bridge construction, the department may expend up to $10,000,000.00 on highway maintenance activities to support safety-related, high-priority, and other deferred routine maintenance needs on Michigan's state trunkline network.

Sec. 396. In soliciting proposals for contractual services, other than construction contracts, the department shall obtain assurance that the respondents have the financial capability, equipment, work force, and prior work experience sufficient to perform the proposed services.

**FEDERAL**

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to this state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 10o

of 1951 PA 51, MCL 247.660o. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

**MICHIGAN TRANSPORTATION FUND**

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.42, and not appropriated to the department of licensing and regulatory affairs or the department of state police is deposited in the Michigan transportation fund.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) In addition to the funds appropriated in part 1, the department of transportation economic development fund and local bridge fund may receive federal, local, or private funds or restricted source funds such as interest earnings. These funds are appropriated for projects that are consistent with the purposes of the respective funds.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. Funds from the Michigan transportation fund shall be distributed to the comprehensive transportation fund, the economic development fund, the recreation improvement fund, and the state trunkline fund, in accordance with this part and part 1 and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this part and part 1, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

Sec. 505. If roads innovation funds are not released by a 1-time concurrent resolution pursuant to section 1j(5) of 1951 PA 51, MCL 247.651j, on or before October 1, 2016, the department shall prepare a report that specifies the portions of total Michigan transportation fund distributions to be withheld from the state trunkline fund and each local road agency. The department shall present the report to the state budget director, the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies on or before November 1, 2016.

**STATE TRUNKLINE FUND**

Sec. 601. (1) The department shall work with the road construction industry and engineering consulting community to develop a warranty program for capital road and bridge construction, reconstruction, and rehabilitation projects. In developing the warranty program, the department shall consider all of the following:

(a) Scope of warranties, including warranties on materials and workmanship, pavement or bridge performance criteria, and the application of warranties to design/build projects.

(b) Length of warranty.

(c) Costs and benefits associated with scope of warranty and various warranty provisions, including length of warranty.

(d) Any other relevant factors that might determine the use of warranties, scope of warranty, or length of warranty.

(e) Use of warranties on local agency projects administered by the department.

(f) Other measures used to identify premature failure of road pavement or bridge elements and the related cause of those failures.

(2) The department shall report on March 1 of each year to the house of representatives and senate appropriations subcommittees on transportation and the house and senate fiscal agencies on provisions of the department's warrant program described under subsection (1). The department shall timely inspect warrantied projects prior to the expiration of any associated warranty.

(3) The department shall report to the legislature all of the following with regard to road and bridge construction projects:

(a) An update on procedures involving the attorney general's office regarding nonresponsive contractors that had received notice but failed to fulfill the terms of a warranty.

(b) An update on any upgrades and improvements to the statewide warranty administrative database.

(c) The number of active road and bridge construction warranties.

(d) The number of road and bridge project warranties that required corrective action, and the date or dates of any corrective action.

(e) The number of warrantied projects that required corrective action but expired prior to the contractor receiving notice and the total cost of each of those projects.

(f) The number of instances where a contractor was notified of the need for corrective action more than 60 days after the associated warranty period.

(g) The number of unresolved corrective actions outstanding beyond 15 months, and the department's findings and any changes to existing policies and procedures as required in subsection (5).

(4) The report required under subsection (3) is due on March 1 of each calendar year, shall reflect the prior 12-month period, and shall be transmitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies.

(5) The department shall maintain documentation to support initial acceptance of warrantied projects, interim and final inspections, and notifications to contractors that the warranty period had expired. The department also shall review and evaluate consultant evaluation requirements or recommendations and update existing policies and procedures accordingly.

Sec. 604. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

Sec. 610. The department shall have as a priority the removal of dead deer and other large animal remains from the traveled portion and shoulder of state highways. The department, and counties that perform state highway maintenance under contract, shall remove animal remains, wherever practicable and when funds are available, away from the traveled portion and shoulder of state highways.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1 of each year, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, the fund source of any incentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

Sec. 660. (1) The legislature encourages the department to examine the use of alternative road surface materials, including recycled materials, and to develop criteria and specifications for their use in both department-managed and contracted projects.

(2) The department shall report on efforts taken to implement this section. The report shall include descriptions of specific materials evaluated, evaluation methods, and results of specific field or laboratory tests. The department shall complete and submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on or before March 1 of each year.

**TRANSIT AND RAIL RELATED FUNDS**

Sec. 701. The department shall establish an intercity bus equipment and facility fund as a subsidiary fund within the comprehensive transportation fund created under section 10b of 1951 PA 51, MCL 247.660b. Proceeds received by this state from the sale of state-owned intercity bus equipment shall be credited to the intercity bus equipment and facility fund for the purchase and repair of intercity bus equipment, as appropriated. Security deposits not returned to a lessee of state-owned intercity bus equipment under terms of the lease agreement shall be credited to the intercity bus equipment and facility fund for the repair of intercity bus equipment, as appropriated. Money received by the department from lease payments for state-owned intercity bus equipment, and facility maintenance charges under terms of leases of state-owned intercity facilities, shall be credited to the intercity bus equipment and facility fund for the purchase and repair of intercity bus equipment or for the maintenance and rehabilitation of state-owned intercity facilities, as appropriated. At the close of the fiscal year, any funds remaining in the intercity bus equipment and facility fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by this state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the rail freight fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail freight fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 704. From the funds appropriated in part 1, the department shall prepare and transmit a report that provides detail regarding the department's expenditures for programs funded under the appropriation in part 1 for rail operations and infrastructure. The report shall include a breakdown of the appropriation by program, year-to-date expenditures under each program itemized by project, and an estimate of future expenditures under each program itemized by project for the remainder of the fiscal year. The initial report shall be submitted to the senate and house appropriations subcommittees on transportation, and the senate and house fiscal agencies, on or before October 30, 2016. The department also shall update and resubmit the report on or before February 1 of each year.

Sec. 705. It is the intent of the legislature that the department will provide assistance, whether administrative or otherwise, to the city of Woodhaven so that the city may meet funding needs for a rail and street separation project.

Sec. 706. The Detroit/Wayne County Port Authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies by June 30 of each fiscal year for the prior fiscal year.

Sec. 711. (1) As prescribed in subsection (2), the department shall submit reports to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on rail passenger service provided by Amtrak under a contractual agreement with the department. The report shall be submitted on or before May 1 of each year.

(2) The report shall include all of the following:

(a) Passenger counts for the preceding fiscal year for each Amtrak service route in Michigan.

(b) Revenue and operating expenses by Amtrak route.

(c) Total state operating payments to Amtrak in the preceding fiscal year by Amtrak route.

(d) A discussion of major factors affecting route costs and revenue and net state costs in the preceding fiscal year, and factors affecting route costs and revenue and net state costs anticipated in the current and future fiscal years.

Sec. 735. For the fiscal year ending September 30, 2017, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is $0.

**AERONAUTICS FUND**

Sec. 801. Except as otherwise provided in section 903 for capital outlay, at the close of the fiscal year, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 802. The legislature encourages the department to find private entities or local public agencies to assume ownership and operating responsibility for airports currently owned by the department.

Sec. 803. Not later than December 1, 2016, the department, in cooperation with the department of technology, management, and budget, shall release a request for proposal seeking competitive bids for the award of a contract for third party management and sale of the department's aging aircraft. Third party management shall include, but not be limited to: aircraft transportation services, aircraft, aircraft personnel including pilots and technicians, aircraft maintenance, aircraft facilities, and aircraft fuel.

**CAPITAL OUTLAY**

Sec. 901. (1) From federal-state-local project appropriations contained in part 1 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in part 1.

(2) Political entities and subdivisions shall provide not less than 5% of the cost of any project under this section, unless a total nonfederal share greater than 10% is otherwise specified in federal law. State money shall not be allocated until local money is allocated. State money for any 1 project shall not exceed 1/3 of the total appropriation in part 1 from state funds for airport improvement programs.

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this part and part 1 and the project application is approved by the governing body of each political subdivision or public agency making the application and by the Michigan aeronautics commission.

Sec. 903. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

**ONE-TIME BASIS ONLY APPROPRIATION**

Sec. 1001. The funds appropriated in part 1 for special grants shall be used to fund the following road improvement projects:

(a) Berrien County: US-31 right-of-way acquisition.

(b) Lenawee County: upgrading Weston Road and Rodesiler Highway to provide an all-season truck route between M-52 and US-223.

(c) Macomb County: M-53 at 33 Mile Road access.

PART 2A
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2017 consensus revenue estimating conference.

ARTICLE XX
SUPPLEMENTAL APPROPRIATIONS
PART 1
LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

Sec. 101. There is appropriated for various state departments and agencies and the legislative branch to supplement appropriations for the fiscal year ending September 30, 2016, from the following funds:

**APPROPRIATION SUMMARY**

| | | |
|---|---|---|
| Full-time equated exempted positions | 6.0 | |
| GROSS APPROPRIATION | $ | (244,862,000) |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | (167,000) |
| ADJUSTED GROSS APPROPRIATION | $ | (244,695,000) |
| Federal revenues: | | |
| Total federal revenues | | (376,712,600) |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | (2,000,000) |
| Total other state restricted revenues | | 20,550,200 |
| State general fund/general purpose | $ | 113,467,400 |

**Sec. 102. DEPARTMENT OF CORRECTIONS**

**(1) APPROPRIATION SUMMARY**

| | | |
|---|---|---|
| GROSS APPROPRIATION | $ | 13,400,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 13,400,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 13,400,000 |

**(2) HEALTH CARE**

| | | |
|---|---|---|
| Clinical and mental health services and support | $ | 13,400,000 |
| GROSS APPROPRIATION | $ | 13,400,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 13,400,000 |

**Sec. 103. DEPARTMENT OF EDUCATION**

**(1) APPROPRIATION SUMMARY**

| | | |
|---|---|---|
| GROSS APPROPRIATION | $ | (3,500,000) |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | (3,500,000) |
| Federal revenues: | | |
| Total federal revenues | | 1,200,000 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | (4,700,000) |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| **(2) MICHIGAN OFFICE OF GREAT START** | | |
| Child development and care public assistance | $ | (3,500,000) |
| GROSS APPROPRIATION | $ | (3,500,000) |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 1,200,000 |
| State general fund/general purpose | $ | (4,700,000) |
| **Sec. 104. DEPARTMENT OF ENVIRONMENTAL QUALITY** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 500,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 500,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 500,000 |
| **(2) ONE-TIME APPROPRIATIONS** | | |
| Western Michigan University geological resources study | $ | 500,000 |
| GROSS APPROPRIATION | $ | 500,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 500,000 |
| **Sec. 105. DEPARTMENT OF HEALTH AND HUMAN SERVICES** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | (299,155,700) |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | (299,155,700) |
| Federal revenues: | | |
| Total federal revenues | | (379,912,600) |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | (2,000,000) |
| Total other state restricted revenues | | 3,175,400 |
| State general fund/general purpose | $ | 79,581,500 |
| **(2) COMMUNITY SERVICES AND OUTREACH** | | |
| Rape prevention and services | $ | 25,000 |
| GROSS APPROPRIATION | $ | 25,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 25,000 |
| **(3) CHILDREN'S SERVICES AGENCY - CHILD WELFARE** | | |
| Foster care payments | $ | (4,430,300) |
| Guardianship assistance program | | 477,000 |
| Child care fund | | 6,743,800 |
| Adoption subsidies | | (5,601,300) |
| Family support subsidy | | (602,200) |
| GROSS APPROPRIATION | $ | (3,413,000) |
| Appropriated from: | | |
| Federal revenues: | | |
| Social security act, temporary assistance for needy families | | (602,200) |
| Total other federal revenues | | (6,113,700) |
| State general fund/general purpose | $ | 3,302,900 |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| **(4) PUBLIC ASSISTANCE** | | |
| Family independence program | $ | (9,702,900) |
| State disability assistance payments | | (2,109,600) |
| Food assistance program benefits | | (84,728,400) |
| State supplementation | | (1,038,700) |
| GROSS APPROPRIATION | $ | (97,579,600) |
| Appropriated from: | | |
| Federal revenues: | | |
| Social security act, temporary assistance for needy families | | (6,448,700) |
| Total other federal revenues | | (85,553,200) |
| State general fund/general purpose | $ | (5,577,700) |
| **(5) BEHAVIORAL HEALTH SERVICES** | | |
| Medicaid mental health services | $ | 872,700 |
| Medicaid substance use disorder services | | 5,427,100 |
| Healthy Michigan plan - behavioral health | | (100,432,600) |
| Autism services | | 14,581,500 |
| GROSS APPROPRIATION | $ | (79,551,300) |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | (81,374,500) |
| State general fund/general purpose | $ | 1,823,200 |
| **(6) EPIDEMIOLOGY AND INFECTIOUS DISEASE** | | |
| Immunization program | $ | (2,500,000) |
| GROSS APPROPRIATION | $ | (2,500,000) |
| Appropriated from: | | |
| Special revenue funds: | | |
| Total private revenues | | (2,000,000) |
| State general fund/general purpose | $ | (500,000) |
| **(7) CHILDREN'S SPECIAL HEALTH CARE SERVICES** | | |
| Medical care and treatment | $ | 3,283,300 |
| GROSS APPROPRIATION | $ | 3,283,300 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | 2,548,700 |
| State general fund/general purpose | $ | 734,600 |
| **(8) CRIME VICTIM SERVICES COMMISSION** | | |
| Justice assistance grants | $ | 5,000,000 |
| GROSS APPROPRIATION | $ | 5,000,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | 5,000,000 |
| State general fund/general purpose | $ | 0 |
| **(9) AGING AND ADULT SERVICES AGENCY** | | |
| Program of all-inclusive care for the elderly | $ | (9,914,400) |
| GROSS APPROPRIATION | $ | (9,914,400) |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | (6,503,800) |
| State general fund/general purpose | $ | (3,410,600) |
| **(10) MEDICAL SERVICES** | | |
| Hospital services and therapy | $ | (114,779,000) |
| Hospital services and therapy | | 62,888,300 |
| Physician services | | (9,511,400) |
| Medicare premium payments | | 52,673,100 |
| Pharmaceutical services | | 14,562,100 |
| Home health services | | (324,000) |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| Hospice services | $ | (8,499,800) |
| Transportation | | (1,578,900) |
| Auxiliary medical services | | (626,500) |
| Dental services | | 3,460,600 |
| Ambulance services | | 354,600 |
| Long-term care services | | 293,223,200 |
| Integrated care organizations | | (153,215,700) |
| Medicaid home- and community-based services waiver | | (15,463,000) |
| Adult home help services | | (703,100) |
| Personal care services | | (1,581,700) |
| Health plan services | | 75,881,800 |
| Health plan services | | 100,000,000 |
| Federal Medicare pharmaceutical program | | 9,079,100 |
| Healthy Michigan plan | | (423,345,400) |
| Subtotal basic medical services program | | (117,505,700) |
| GROSS APPROPRIATION | $ | (117,505,700) |
| Appropriated from: | | |
| Federal revenues: | | |
| Total other federal revenues | | (200,865,200) |
| Special revenue funds: | | |
| Merit award trust fund | | (3,674,500) |
| Total other state restricted revenues | | 6,849,900 |
| State general fund/general purpose | $ | 80,184,100 |
| **(11) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| SIGMA readiness project | $ | 1,500,000 |
| Special project - groundwater contamination | | 1,000,000 |
| Special project - human trafficking | | 500,000 |
| GROSS APPROPRIATION | $ | 3,000,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 3,000,000 |
| **Sec. 106. DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 2,225,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 2,225,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 449,900 |
| State general fund/general purpose | $ | 1,775,100 |
| **(2) AUTISM COVERAGE FUND** | | |
| Autism coverage fund | $ | 2,225,000 |
| GROSS APPROPRIATION | $ | 2,225,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Autism coverage fund | | 449,900 |
| State general fund/general purpose | $ | 1,775,100 |
| **Sec. 107. JUDICIARY** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| Full-time equated exempted positions ... 6.0 | | |
| GROSS APPROPRIATION | $ | 5,300,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | (167,000) |
| ADJUSTED GROSS APPROPRIATION | $ | 5,467,000 |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| Federal revenues: | | |
| Total federal revenues | $ | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 5,000,000 |
| State general fund/general purpose | $ | 467,000 |
| **(2) INDIGENT DEFENSE - CRIMINAL** | | |
| Full-time equated exempted positions ... 6.0 | | |
| Appellate public defender program—6.0 FTE positions | $ | 300,000 |
| GROSS APPROPRIATION | $ | 300,000 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from state police - Michigan justice training fund | | (167,000) |
| State general fund/general purpose | $ | 467,000 |
| **(3) TRIAL COURT OPERATIONS** | | |
| Statewide e-file system | $ | 5,000,000 |
| GROSS APPROPRIATION | $ | 5,000,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Judicial electronic filing fund | | 5,000,000 |
| State general fund/general purpose | $ | 0 |
| **Sec. 108. LEGISLATURE** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 7,200,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 7,200,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 7,200,000 |
| **(2) LEGISLATURE** | | |
| Senate redistricting | $ | 225,000 |
| House redistricting | | 225,000 |
| GROSS APPROPRIATION | $ | 450,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 450,000 |
| **(3) LEGISLATIVE COUNCIL** | | |
| Legislative IT systems design project | $ | 3,000,000 |
| Criminal justice policy commission | | 500,000 |
| GROSS APPROPRIATION | $ | 3,500,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 3,500,000 |
| **(4) STATE CAPITOL HISTORIC SITE** | | |
| Restoration, renewal, and maintenance | $ | 3,250,000 |
| GROSS APPROPRIATION | $ | 3,250,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 3,250,000 |
| **Sec. 109. LICENSING AND REGULATORY AFFAIRS** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 5,853,300 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 5,853,300 |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| Federal revenues: | | |
| Total federal revenues | $ | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 3,383,300 |
| State general fund/general purpose | $ | 2,470,000 |
| **(2) ENERGY AND UTILITY PROGRAMS** | | |
| Public service commission | $ | 83,300 |
| GROSS APPROPRIATION | $ | 83,300 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Video franchise assessments | | 83,300 |
| State general fund/general purpose | $ | 0 |
| **(3) OCCUPATIONAL REGULATION** | | |
| Corporations, securities, and commercial licensing bureau | $ | 300,000 |
| GROSS APPROPRIATION | $ | 300,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Distance education fund | | 300,000 |
| State general fund/general purpose | $ | 0 |
| **(4) ONE-TIME APPROPRIATIONS** | | |
| Michigan automated prescription system upgrades | $ | 2,470,000 |
| First responder presumed coverage claims | | 3,000,000 |
| GROSS APPROPRIATION | $ | 5,470,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| First responder presumed coverage fund | | 3,000,000 |
| State general fund/general purpose | $ | 2,470,000 |
| **Sec. 110. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 8,866,600 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 8,866,600 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 1,441,600 |
| State general fund/general purpose | $ | 7,425,000 |
| **(2) MILITARY** | | |
| Departmental and National Guard operations | $ | (3,741,600) |
| Schedule of programs: | | |
| National Guard tuition assistance program (3,741,600) | | |
| Departmental and National Guard operations | | 5,741,600 |
| Schedule of programs: | | |
| National Guard tuition assistance fund 5,741,600 | | |
| Departmental and National Guard operations | | 3,741,600 |
| Schedule of programs: | | |
| National Guard tuition assistance fund (3,741,600) | | |
| National Guard tuition assistance program 3,741,600 | | |
| GROSS APPROPRIATION | $ | 5,741,600 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State restricted revenues | | 3,741,600 |
| State general fund/general purpose | $ | 2,000,000 |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| **(3) MICHIGAN VETERANS AFFAIRS AGENCY** | | |
| Michigan veterans affairs agency | | $ 1,200,000 |
| Schedule of programs: | | |
| Michigan veterans affairs agency administration | 1,200,000 | |
| Veterans' homes | | 1,925,000 |
| Schedule of programs: | | |
| Grand Rapids home for veterans | 1,725,000 | |
| D.J. Jacobetti home for veterans | 200,000 | |
| GROSS APPROPRIATION | | $ 3,125,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Restricted revenues | | (2,300,000) |
| State general fund/general purpose | | $ 5,425,000 |
| **Sec. 111. DEPARTMENT OF NATURAL RESOURCES** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | | $ 9,000,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | | $ 9,000,000 |
| Federal revenues: | | |
| Total federal revenues | | 2,000,000 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 4,000,000 |
| State general fund/general purpose | | $ 3,000,000 |
| **(2) EXECUTIVE OPERATIONS** | | |
| Executive direction | | $ 46,500 |
| GROSS APPROPRIATION | | $ 46,500 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Off-road vehicle trail improvement fund | | 46,500 |
| State general fund/general purpose | | $ 0 |
| **(3) DEPARTMENT SUPPORT SERVICES** | | |
| Finance and operations | | $ 61,000 |
| GROSS APPROPRIATION | | $ 61,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Off-road vehicle trail improvement fund | | 61,000 |
| State general fund/general purpose | | $ 0 |
| **(4) COMMUNICATION AND CUSTOMER SERVICES** | | |
| Marketing and outreach | | $ 17,500 |
| GROSS APPROPRIATION | | $ 17,500 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Off-road vehicle trail improvement fund | | 17,500 |
| State general fund/general purpose | | $ 0 |
| **(5) LAW ENFORCEMENT** | | |
| General law enforcement | | $ 950,000 |
| GROSS APPROPRIATION | | $ 950,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Off-road vehicle trail improvement fund | | 950,000 |
| State general fund/general purpose | | $ 0 |
| **(6) GRANTS** | | |
| Dam management grant program | | $ 3,000,000 |
| Off-road vehicle trail improvement grants | | 2,925,000 |
| GROSS APPROPRIATION | | $ 5,925,000 |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| Appropriated from: | | |
| Special revenue funds: | | |
| Off-road vehicle trail improvement fund | $ | 2,925,000 |
| State general fund/general purpose | $ | 3,000,000 |
| **(7) CAPITAL OUTLAY - RECREATIONAL LANDS AND INFRASTRUCTURE** | | |
| State parks repair and maintenance | $ | 1,900,000 |
| GROSS APPROPRIATION | $ | 1,900,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 1,900,000 |
| State general fund/general purpose | $ | 0 |
| **(8) CAPITAL OUTLAY - WATERWAYS BOATING PROGRAM** | | |
| East Tawas state harbor, Iosco County, harbor renovation, dock replacements, dredging, fueling station, new electrical/utilities, phase II (total authorized cost is increased from $4,320,000 to $4,420,000; federal share is increased from $1,550,000 to $1,650,000; state share is $2,770,000) | $ | 100,000 |
| GROSS APPROPRIATION | $ | 100,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal funds | | 100,000 |
| State general fund/general purpose | $ | 0 |
| **Sec. 112. DEPARTMENT OF STATE** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 3,800,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 3,800,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 3,800,000 |
| **(2) INFORMATION TECHNOLOGY** | | |
| Information technology services and projects | $ | 3,800,000 |
| GROSS APPROPRIATION | $ | 3,800,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 3,800,000 |
| **Sec. 113. DEPARTMENT OF STATE POLICE** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 11,178,800 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 11,178,800 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 11,178,800 |
| **(2) FIELD SERVICES** | | |
| Field services | $ | 428,800 |
| GROSS APPROPRIATION | $ | 428,800 |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| Appropriated from: | | |
| State general fund/general purpose | $ | 428,800 |
| **(3) ONE-TIME APPROPRIATIONS** | | |
| Disaster and emergency contingency fund | $ | 10,000,000 |
| Homeland security - energy disaster | | 750,000 |
| GROSS APPROPRIATION | $ | 10,750,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 10,750,000 |
| **Sec. 114. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | (10,830,000) |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | (10,830,000) |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 2,800,000 |
| State general fund/general purpose | $ | (13,630,000) |
| **(2) STATE BUILDING AUTHORITY RENT** | | |
| State building authority rent - state agencies | $ | (5,300,000) |
| State building authority rent - department of corrections | | (17,250,000) |
| State building authority rent - universities | | (3,400,000) |
| State building authority rent - community colleges | | (550,000) |
| GROSS APPROPRIATION | $ | (26,500,000) |
| Appropriated from: | | |
| State general fund/general purpose | $ | (26,500,000) |
| **(3) CIVIL SERVICE COMMISSION** | | |
| Training | $ | 325,000 |
| GROSS APPROPRIATION | $ | 325,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 325,000 |
| **(4) SPECIAL PROGRAMS** | | |
| Legal services | $ | 11,000,000 |
| State trooper pension supplemental payment | | 145,000 |
| Retirement services | | 2,800,000 |
| GROSS APPROPRIATION | $ | 13,945,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Pension trust funds | | 2,800,000 |
| State general fund/general purpose | $ | 11,145,000 |
| **(5) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Education commission | $ | 400,000 |
| Special projects | | 1,000,000 |
| GROSS APPROPRIATION | $ | 1,400,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 1,400,000 |
| **Sec. 115. DEPARTMENT OF TRANSPORTATION** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 0 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 0 |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| Federal revenues: | | |
| Total federal revenues | $ | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 0 |
| **(2) TRANSPORTATION ECONOMIC DEVELOPMENT** | | |
| Rural county primary | $ | (2,000,000) |
| Special projects | | 2,000,000 |
| GROSS APPROPRIATION | $ | 0 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Economic development fund | | 0 |
| State general fund/general purpose | $ | 0 |
| **Sec. 116. DEPARTMENT OF TREASURY** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 1,300,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 1,300,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 300,000 |
| State general fund/general purpose | $ | 1,000,000 |
| **(2) LOCAL GOVERNMENT PROGRAMS** | | |
| Supervision of the general property tax law | $ | 1,000,000 |
| GROSS APPROPRIATION | $ | 1,000,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 1,000,000 |
| **(3) FINANCIAL AND ADMINISTRATIVE SERVICES** | | |
| Office of collections | $ | 300,000 |
| GROSS APPROPRIATION | $ | 300,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Driver responsibility fees | | 300,000 |
| State general fund/general purpose | $ | 0 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2015-2016

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for the fiscal year ending September 30, 2016 is $134,017,600.00 and state appropriations paid to local units of government are $15,726,900.00 as itemized below:

| | | |
|---|---|---|
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | |
| Child care fund | $ | 6,743,800 |
| Medicaid mental health services | | 300,200 |
| Medicaid substance use disorder services | | 866,900 |
| Autism services | | 5,016,000 |
| SUBTOTAL | $ | 13,926,900 |
| DEPARTMENT OF NATURAL RESOURCES | | |
| Dam management grant program | $ | 1,500,000 |
| Off-road vehicle trail improvement grants | | 300,000 |
| SUBTOTAL | $ | 1,800,000 |
| TOTAL | $ | 15,726,900 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. There is appropriated for the fiscal year ending September 30, 2016 the sum of $5,000,000.00 from general fund/general purpose revenue for deposit into the Michigan infrastructure fund created under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Sec. 301. (1) As part of the year-end closing process, the department of health and human services, with the approval of the state budget director, is authorized to realign sources between other federal, TANF, and capped federal financing authorizations in order to maximize federal revenues. This realignment of financing shall not produce a gross increase or decrease in the department of health and human services' total individual line-item authorizations, nor will it produce a net increase or decrease in total federal revenues, or a net increase in TANF authorization.

(2) Not later than November 30, the department of health and human services shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices a report on the realignment of federal fund sources that took place as part of the year-end closing process for the previous fiscal year.

Sec. 302. The unexpended funds appropriated in part 1 for health plan services are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project to be carried forward is to support education about immunization.

(b) The project will be accomplished by contract with Medicaid health plans.

(c) The total estimated cost of the project is $500,000.00.

(d) The tentative completion date is September 30, 2017.

Sec. 303. A community mental health services program (CMHSP) shall provide at least 30 days' notice before reducing, terminating, or suspending services provided by a CMHSP to CMHSP clients, with the exception of services authorized by a physician that no longer meet established criteria for medical necessity.

Sec. 304. The department of health and human services may issue a request for proposal for conducting home help aide criminal history background checks for individual providers and requiring agency providers to conduct criminal history checks for their employees and subcontractors.

Sec. 305. From the funds appropriated in part 1 for special project – groundwater contamination, the department of health and human services shall work with the department of environmental quality to provide all of the following for residents affected by groundwater contaminated by perfluorinated compounds in a county with fewer than 8,700 residents according to the most recent decennial census:

(a) Water filters.

(b) Water quality monitoring.

(c) A long-term alternative public water supply.

Sec. 306. Hospitals receiving medical services payments for graduate medical education shall submit fully completed quality data to a nonprofit organization with extensive experience in collecting and reporting hospital quality data on a public website. The reporting must utilize consensus-based nationally endorsed standards that meet National Quality Forum-endorsed safe practices. The organization collecting the data must be an organization that uses severity-adjusted risk models and measures that will help patients and payers identify hospital campuses likely to have superior outcomes. The public website shall provide information to allow consumers to compare safe practices by hospital campus, including, but not limited to, perinatal care, hospital-acquired infection, and serious reportable events. Hospitals receiving medical services payments for graduate medical education shall also make their fully completed quality data available on the hospital's website.

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Sec. 401. The department of insurance and financial services may make available to interested entities customized listings of nonconfidential information in its possession. The department may establish and collect a reasonable charge to provide this service. The revenue from this service is appropriated when received and shall be used to offset expenses. Any balance of this revenue collected and unexpended at the end of the fiscal year shall lapse to the appropriate restricted fund.

Sec. 402. Of the amount appropriated in part 1 for the autism coverage fund, $2,225,000.00 is appropriated and may be expended from the fund by the department as provided in the autism coverage reimbursement act, 2012 PA 101, MCL 550.1831 to 550.1841, for approved autism coverage reimbursement claims received.

Sec. 403. The appropriations in section 402 from the autism coverage fund for payment of claims as provided in the autism coverage reimbursement act, 2012 PA 101, MCL 550.1831 to 550.1841, shall not be expended until Senate Bill No. 1007 of the 98th Legislature is enacted into law allowing for pro rata payments of approved claims received prior to April 30, 2016.

**LEGISLATURE**

Sec. 501. The appropriations in part 1 for senate and house of representatives redistricting shall be used for purchasing equipment, supplies, and services needed for tracking and reporting census and reapportionment information for this

state. These funds are designated as work project appropriations in accordance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and shall not lapse at the end of the fiscal year. The total cost is estimated at $450,000.00, and the tentative completion date is September 30, 2020.

Sec. 502. The appropriation in part 1 for the legislative IT systems design project shall be used for the design, development, and implementation of a legislative computer system. Funds described in this section shall not be expended without written approval of the senate majority leader or his or her designee, the speaker of the house of representatives or his or her designee, and the legislative council administrator or his or her designee. The appropriations described in this section are designated as work project appropriations in accordance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and shall not lapse at the end of the fiscal year. The unexpended portion of these funds shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $3,000,000.00, and the tentative completion date is September 30, 2019.

Sec. 503. The appropriations in part 1 for the criminal justice policy commission will allow the commission to perform its duties as designated in section 32a of the code of criminal procedure, 1927 PA 175, MCL 769.32a. These funds are designated as work project appropriations in accordance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and shall not lapse at the end of the fiscal year. The total cost is estimated at $500,000.00, and the tentative completion date is September 30, 2019.

Sec. 504. The appropriations in part 1 to the state capitol historic site, for restoration, renewal and maintenance, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations in accordance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and shall not lapse at the end of the fiscal year. The total cost is estimated at $3,250,000.00, and the tentative completion date is September 30, 2020.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

Sec. 601. The unexpended funds appropriated in part 1 for first responder presumed coverage claims are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project to be carried forward is to provide for the payment of approved claims from the first responder presumed coverage fund pursuant to section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

(b) The project will be accomplished by state employees.

(c) The total estimated cost is $3,000,000.00.

(d) The tentative completion date is September 30, 2020.

**DEPARTMENT OF STATE**

Sec. 701. The unexpended funds appropriated in part 1 for information technology services and projects are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide for mainframe and ExpressSOS technology upgrades necessitated by passage of Public Act 174 of 2015.

(b) The project will be accomplished by contract and state employees.

(c) The total estimated cost of the project is $3,800,000.00.

(d) The tentative completion date is September 30, 2020.

**DEPARTMENT OF STATE POLICE**

Sec. 801. From the funds appropriated in part 1, the schedule of programs for field services includes the following:

General law enforcement and criminal investigations..... $428,800

**DEPARTMENT OF TRANSPORTATION**

Sec. 901. From the funds appropriated in part 1 for special projects, $2,000,000.00 is appropriated for a rural county primary road project under section 11(3)(c) of 1987 PA 231, MCL 247.911, in a county with a population of more than 26,500 but less than 27,000 according to the most recent federal decennial census. Any unexpended funds appropriated are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to fund special projects.

(b) The project will be accomplished by contract or grant.

(c) The total estimated cost of the project is $2,000,000.00.

(d) The tentative completion date is September 30, 2017.

**REPEALERS**

Sec. 1001. (1) Section 831 of article VIII of 2015 PA 84 is repealed.

(2) Sections 1182 and 1805 of article X of 2015 PA 84 are repealed.

ARTICLE XXI
SUPPLEMENTAL APPROPRIATIONS
PART 1
LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2016, from the following funds:

**APPROPRIATION SUMMARY**

| | | |
|---|---|---|
| Full-time equated classified positions ..... 4.0 | | |
| GROSS APPROPRIATION | $ | 114,320,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 114,320,000 |
| Federal revenues: | | |
| Total federal revenues | | 25,700,000 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 1,300,000 |
| State general fund/general purpose | $ | 87,320,000 |

**Sec. 102. DEPARTMENT OF ATTORNEY GENERAL**

**(1) APPROPRIATION SUMMARY**

| | | |
|---|---|---|
| GROSS APPROPRIATION | $ | 1,300,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 1,300,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 1,300,000 |
| State general fund/general purpose | $ | 0 |

**(2) ATTORNEY GENERAL OPERATIONS**

| | | |
|---|---|---|
| Drinking water declaration of emergency legal services | $ | 1,300,000 |
| GROSS APPROPRIATION | $ | 1,300,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Lawsuit settlement proceeds fund | | 1,300,000 |
| State general fund/general purpose | $ | 0 |

**Sec. 103. DEPARTMENT OF EDUCATION**

**(1) APPROPRIATION SUMMARY**

| | | |
|---|---|---|
| GROSS APPROPRIATION | $ | 25,600,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 25,600,000 |
| Federal revenues: | | |
| Total federal revenues | | 19,600,000 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 6,000,000 |

**(2) CENTRAL SUPPORT**

| | | |
|---|---|---|
| Drinking water declaration of emergency | $ | 25,600,000 |
| GROSS APPROPRIATION | $ | 25,600,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Federal revenues | | 19,600,000 |
| State general fund/general purpose | $ | 6,000,000 |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| **Sec. 104. DEPARTMENT OF ENVIRONMENTAL QUALITY** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| Full-time equated classified positions ..... 4.0 | | |
| GROSS APPROPRIATION | $ | 33,350,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 33,350,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 33,350,000 |
| **(2) RESOURCE MANAGEMENT DIVISION** | | |
| Full-time equated classified positions ..... 4.0 | | |
| Drinking water declaration of emergency—4.0 FTE positions | $ | 33,350,000 |
| GROSS APPROPRIATION | $ | 33,350,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 33,350,000 |
| **Sec. 105. DEPARTMENT OF HEALTH AND HUMAN SERVICES** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 14,790,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 14,790,000 |
| Federal revenues: | | |
| Total federal revenues | | 6,100,000 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 8,690,000 |
| **(2) LOCAL HEALTH ADMINISTRATION AND GRANTS** | | |
| Drinking water declaration of emergency | $ | 14,790,000 |
| GROSS APPROPRIATION | $ | 14,790,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Social security act, temporary assistance for needy families | | 6,100,000 |
| State general fund/general purpose | $ | 8,690,000 |
| **Sec. 106. DEPARTMENT OF NATURAL RESOURCES** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 250,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 250,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 250,000 |
| **(2) DEPARTMENT INITIATIVES** | | |
| Drinking water declaration of emergency | $ | 250,000 |
| GROSS APPROPRIATION | $ | 250,000 |

| | | For Fiscal Year Ending Sept. 30, 2016 |
|---|---|---|
| Appropriated from: | | |
| State general fund/general purpose | $ | 250,000 |
| **Sec. 107. DEPARTMENT OF STATE POLICE** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 6,000,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 6,000,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 6,000,000 |
| **(2) SPECIALIZED SERVICES** | | |
| Drinking water declaration of emergency | $ | 6,000,000 |
| GROSS APPROPRIATION | $ | 6,000,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 6,000,000 |
| **Sec. 108. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 18,900,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 18,900,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 18,900,000 |
| **(2) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Drinking water declaration of emergency reserve fund | $ | 18,900,000 |
| GROSS APPROPRIATION | $ | 18,900,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 18,900,000 |
| **Sec. 109. DEPARTMENT OF TREASURY** | | |
| **(1) APPROPRIATION SUMMARY** | | |
| GROSS APPROPRIATION | $ | 14,130,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | $ | 14,130,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | $ | 14,130,000 |
| **(2) ONE-TIME BASIS ONLY APPROPRIATIONS** | | |
| Drinking water declaration of emergency | $ | 14,130,000 |
| GROSS APPROPRIATION | $ | 14,130,000 |
| Appropriated from: | | |
| State general fund/general purpose | $ | 14,130,000 |

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this part for the fiscal year ending September 30, 2016 is $88,620,000.00 and state appropriations paid to local units of government are $46,500,000.00. The itemized statement below identifies departments from which spending to local units of government will occur:

| | | |
|---|---|---|
| Department of environmental quality | $ | 31,100,000 |
| Department of health and human services | | 2,650,000 |
| Department of treasury | | 12,750,000 |
| Total state spending to local units | $ | 46,500,000 |

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

**DEPARTMENT OF ATTORNEY GENERAL**

Sec. 301. From the lawsuit settlement proceeds fund appropriated in part 1, the department of attorney general may spend the funds for the costs of all associated expenses related to the declaration of emergency due to drinking water contamination up to $1,300,000.00.

**DEPARTMENT OF EDUCATION**

Sec. 401. (1) From the funds appropriated in part 1 for the drinking water declaration of emergency, the department of education shall allocate funding to address the child care and nutrition needs in the city in which a drinking water declaration of emergency was issued. Funds shall be used to support the following activities in the city:

(a) Pilot the expansion of the child development and care eligibility to children ages 0 to 3 for 1/2-day child care services by increasing the household income entrance threshold to 300% of the federal poverty guidelines.

(b) Pilot the expansion of child development and care eligibility to support the purposes of the Early Childhood Education Partnership in an amount agreed to by the signatory parties of the Vision for an Early Childhood Education Partnership.

(c) Provide information to child care providers on identification and intervention services for children demonstrating developmental delays associated with exposure to lead.

(d) Provide additional reimbursements for meals to ensure that children receive additional servings of fresh fruits and vegetables.

(e) Expand existing pilot programs to allow families with children to purchase fresh fruits and vegetables and implement a voucher program based on existing models to allow families to purchase produce at local farmers' markets.

(f) Coordinate with local organizations to expand home delivery of fresh fruits and vegetables.

(2) The department of education shall amend definitions and eligibility requirements in the child care and development fund state plan as necessary to implement this section.

(3) From the funds appropriated in part 1, the department of education is authorized to make allocations of federal temporary assistance to needy families funds for food and nutrition needs provided to families meeting eligibility requirements under that program. The department of education shall work with the department of health and human services to utilize federal funds to the maximum extent possible, including, if necessary, revision to the temporary assistance to needy families state plan to expand eligibility to needy families impacted by the emergency.

Sec. 402. (1) From the funds appropriated in part 1 for the drinking water declaration of emergency, there is allocated $8,000,000.00 in federal child care and development funds for emergency needs.

(2) The unexpended funds appropriated for the drinking water declaration of emergency for emergency needs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 45*l*a of the management and budget act, 1984 PA 431, MCL 18.145la:

(a) The purpose of the project is to provide for children impacted by the drinking water declaration of emergency.

(b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $8,000,000.00.

(d) The tentative completion date is September 30, 2018.

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

Sec. 501. From the funds appropriated in part 1 for the drinking water declaration of emergency, the department of environmental quality is authorized to pay up to $3,900,000.00 to the municipal water system. The payments shall only be made once a legally executable agreement has been reached between the parties. These funds are intended to pay service costs from July 2016 through September 30, 2016.

Sec. 502. From the funds appropriated in part 1 for the drinking water declaration of emergency, the department of environmental quality shall allocate funds to address needs related to the declaration of emergency for drinking water contamination. These funds may support, but are not limited to, the following activities:

(a) Water system needs.

(b) Water response team.

Sec. 503. (1) From the funds appropriated in part 1 for the drinking water declaration of emergency, the department of environmental quality shall grant $25,000,000.00 to a city in which a declaration of emergency due to drinking water contamination was issued. The funds shall be provided for service line removal based on a signed grant agreement between the state and the city.

(2) The city shall provide a work plan with a list of addresses for the lines that are planned to be replaced prior to execution of the grant agreement.

(3) A total of $5,000,000.00 shall be paid to the city upon execution of the grant agreement. Additional funding will be provided on a reimbursement basis.

(4) Reimbursements to the city shall not exceed $5,000.00 per address unless prior authorization by this state has been granted.

(5) The $25,000,000.00 shall not be used for reimbursement of any permitting fees charged by the city.

(6) Any funds not spent or encumbered by that city for lead service line replacement by September 30, 2017 shall be returned to the general fund of this state.

(7) Upon the city's receipt of $10,000,000.00 of the appropriated $25,000,000.00, the office of auditor general shall conduct a preliminary audit of the city's use of the funds.

(8) The office of auditor general shall conduct a final audit of that city's use of the funds by January 1, 2018 and identify if any funds need to be returned to this state.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Sec. 601. From the funds appropriated in part 1 for the drinking water declaration of emergency, the department of health and human services shall allocate funds to address needs related to the declaration of emergency for drinking water contamination. These funds shall be used to support the following activities:

(a) Nutrition support, food banks, and community education.

(b) Intensive services and outreach for children, including evidence-based home visiting programs.

(c) Assessment of potential linkages between the drinking water declaration of emergency and diseases in Flint residents.

(d) Support for child and adolescent health centers and the children's healthcare access program.

(e) Interpretation services.

(f) Childhood lead poisoning prevention program.

Sec. 602. (1) For the fiscal year ending September 30, 2016, from the funds appropriated in part 1, $6,100,000.00 in federal temporary assistance for needy families funds shall be allocated for emergency needs.

(2) The unexpended funds appropriated for drinking water declaration of emergency are redesignated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide for children impacted by the declaration of emergency for drinking water contamination.

(b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $6,100,000.00.

(d) The tentative completion date is September 30, 2018.

Sec. 603. For all licensed private child welfare agencies under contract with the department of health and human services to provide foster care, independent living, and residential treatment services in the water catchment area of a city in which a drinking water declaration of emergency was issued, the department of health and human services shall compensate the licensed private child welfare agencies for the increased level of required care and supervision mandated by the department of health and human services for the children and youth in the care of the licensed private child welfare agencies by providing a lump-sum payment in the amount of $321,000.00 distributed to the licensed private child welfare agencies in the water catchment area of a city in which a drinking water declaration of emergency was issued based on days of care provided between January 11, 2016 and May 31, 2016. This payment shall be paid to the licensed private child welfare agencies within 30 days of the effective date of this act.

**DEPARTMENT OF NATURAL RESOURCES**

Sec. 701. From the funds appropriated in part 1 for the drinking water declaration of emergency, the department of natural resources shall allocate funds to address needs related to the declaration of emergency for drinking water contamination. These funds shall support a limited summer youth employment program.

**DEPARTMENT OF STATE POLICE**

Sec. 801. From the funds appropriated in part 1 for the drinking water declaration of emergency, the department of state police shall allocate funds related to the declaration of emergency. These funds may support, but are not limited to, purchases of water and replacement filter cartridges.

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

Sec. 901. (1) The drinking water declaration of emergency reserve fund is created within the state treasury.

(2) From the funds appropriated in part 1 for the drinking water declaration of emergency reserve fund, $18,900,000.00 shall be deposited into the drinking water declaration of emergency reserve fund.

(3) Funds may only be spent from the drinking water declaration of emergency reserve fund upon appropriation, or legislative transfer pursuant to the section 393 of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) Interest and earnings from the investment of funds deposited in the drinking water declaration of emergency reserve fund shall be deposited in the general fund.

(5) Funds in the drinking water declaration of emergency reserve fund at the close of a fiscal year shall remain in the drinking water declaration of emergency reserve fund and shall not lapse to the general fund.

Sec. 902. (1) From the funds appropriated in part 1 for the drinking water declaration of emergency reserve fund, the department of technology, management, and budget may contract with an integrity oversight monitor to ensure legal compliance, detect misconduct, and promote best practices in the expenditure of the funds appropriated under part 1 as determined by the department of technology, management, and budget. The integrity oversight monitor shall supplement this state's existing compliance control mechanisms to prevent the inefficient expenditure of state funds.

(2) The integrity oversight monitor shall be selected by the department of technology, management, and budget from a list of 1 or more integrity oversight monitors created and maintained by the department of technology, management, and budget.

(3) A person may not interfere with, prevent, or prohibit the integrity oversight monitor from carrying out its duties as established in this section and set by the department of technology, management, and budget.

(4) All departments, state agencies, committees, commissioners, or officers of this state and any political subdivision of this state, so far as is compatible with their duties, shall give the integrity oversight monitor any necessary assistance required by the integrity oversight monitor in the performance of the duties of the integrity oversight monitor.

(5) The integrity oversight monitor shall communicate with and coordinate its activities with the auditor general and office of internal audit services to ensure against any duplication of efforts.

(6) Not later than September 30, the integrity oversight monitor shall provide a detailed report to the governor, the department of technology, management, and budget, the secretary of the senate, the clerk of the house of representatives, and the chairpersons of the senate and house of representatives committees on appropriations. The report shall contain all of the following:

(a) Detail of the integrity oversight monitor's services for the current fiscal year.

(b) Details of findings of malfeasance or inefficiency.

(c) Recommendations for corrective actions by any governmental entities.

(7) Not later than March 30 of each year that the contract is in effect, and not later than September 30 of each year that the contract is in effect, the integrity oversight monitor shall provide a detailed report to the governor, the department of technology, management, and budget, the secretary of the senate, the clerk of the house of representatives, and the chairpersons of the senate and house of representatives committees on appropriations. The report shall contain all of the following:

(a) Detail of the integrity oversight monitor's services during the 6-month period.

(b) Detail of the integrity oversight monitor's services over the duration of the contract.

(c) Details of findings of malfeasance or inefficiency.

(d) Recommendations for corrective actions by any governmental entities.

(8) As used in this section, "integrity oversight monitor" means a private entity that contracts to provide specialized services to ensure legal compliance, detect misconduct, and promote best practices in the administration of recovery and rebuilding projects, which services may include, but shall not be limited to, legal, investigative, accounting, forensic accounting, engineering, other professional specialties, risk assessment, developing compliance system constructs, loss prevention, monitoring, contract managers, and independent private inspectors general.

**DEPARTMENT OF TREASURY**

Sec. 1001. (1) From the funds appropriated in part 1 for the drinking water declaration of emergency, up to $12,750,000.00 shall be allocated to reimburse the water enterprise fund of the city in which a drinking water declaration of emergency was issued in an amount equal to credits posted to its customers' accounts in accordance with section 1002.

(2) The department of treasury shall report quarterly to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director on the distribution of the funds allocated pursuant to this part and part 1.

Sec. 1002. (1) There shall be no administrative charges, from any entity, from the funds appropriated in part 1 and described in section 1001.

(2) There shall be no expenditures from the funds appropriated in part 1 and described in section 1001 without specific authorization by the state treasurer.

(3) All unexpended funds from the appropriation in part 1 and described in section 1001, as of December 31, 2016, shall lapse to the general fund.

(4) The credit to a water customer's account shall be equal to the following:

(a) For a residential customer, an amount determined by the state treasurer not to exceed 65% of the amount billed for water from the beginning of the billing period containing April 30, 2014 to no later than December 31, 2016.

(b) For all other customers, an amount determined by the state treasurer not to exceed 20% of the amount billed for water from the beginning of the billing period containing April 30, 2014 to no later than December 31, 2016.

(5) Credits for sewer services are not to be reimbursed under this section or section 1001.

(6) The amount of the credits calculated under subsection (4) shall reflect rates consistent with the rates paid at the time of billing.

(7) Reimbursement to the water enterprise fund of the city in which a drinking water declaration of emergency was issued in an amount equal to credits posted after September 1, 2016 to its customer accounts in accordance with section 1001 can only be made if the overall collection rate for combined water and sewer billings exceeds 70%. The state treasurer may modify or waive this provision at the request of the city in which a drinking water declaration of emergency was issued. The state treasurer shall notify the house and senate appropriation committees, the house and senate fiscal agencies, and the state budget director within 15 days of any modification or waiver under this subsection.

(8) The state treasurer shall submit monthly performance reports to the house and senate appropriation committees, the house and senate fiscal agencies, and the state budget director detailing the overall collection rate for combined water and sewer billings and the collection rates for each distinct customer class of a city in which a drinking water declaration of emergency was issued.

(9) The state treasurer, or his or her designee, and the auditor general may audit transactions provided for under this section and section 1001 at their discretion.

Sec. 1003. From the funds appropriated in part 1 for the drinking water declaration of emergency, the department of treasury shall allocate funds for purposes related to the drinking water declaration of emergency. These funds may support, but are not limited to, Mission Flint costs.

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, capital outlay, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2016 and September 30, 2017 and for other fiscal years; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Al Pscholka
Jon Bumstead
Harvey Santana
Conferees for the House

Dave Hildenbrand
Arlan B. Meekhof
Vincent Gregory
Conferees for the Senate

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 416** **Yeas—26**

| | | | |
|---|---|---|---|
| Ananich | Hertel | MacGregor | Robertson |
| Bieda | Hildenbrand | Marleau | Rocca |
| Booher | Horn | Meekhof | Schuitmaker |
| Brandenburg | Jones | Nofs | Shirkey |
| Green | Knezek | O'Brien | Stamas |
| Gregory | Knollenberg | Proos | Zorn |
| Hansen | Kowall | | |

**Nays—11**

| | | | |
|---|---|---|---|
| Casperson | Hood | Johnson | Warren |
| Colbeck | Hopgood | Pavlov | Young |
| Emmons | Hune | Schmidt | |

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

Senator Kowall moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

**Protest**

Senator Colbeck, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on House Bill No. 5294 and moved that the statement he made during the discussion of the conference report be printed as his reasons for voting "no."

The motion prevailed.

Senator Colbeck's statement is as follows:

Last year, we passed out a $53.6 billion budget. This year, we have before us a $54.9 billion budget overall that represents an increase of $1.3 billion. How did we prioritize the spending of this increase? Whose best interests were satisfied by this prioritization? Was it taxpayers? Was it our families struggling make ends meet? Was it small businesses struggling with the higher costs of health care, energy, and government? Was it special interests?

Let's take a look at some specifics to help us determine the answer to these questions. First, let's look at some specific items that we were dropped from the budget because they were not a priority for an influential few. The Direct Primary Care Services Medicaid Pilot was dropped. This pilot would have enrolled 2,400 Medicaid-eligible persons into health plans that provided primary care services within a direct primary care model while using existing managed care organization health plans to address any nonprimary care services that might be required. The pilot had the potential to improve the health care for Medicaid enrollees while saving taxpayers millions of dollars. If this approach were to be fully deployed to all 2.4 million Medicaid enrollees, not only would these enrollees have received better care, but taxpayers could have saved almost $3.5 billion from our $17.5 billion Medicaid budget on an annual basis. These savings, these improved services, were not a priority. Do you know who was a priority? Special interests. So much for the taxpayer. So much for those in need of quality health care.

What else was dropped? Life cycle testing of cost-effective, long-life pavement designs was dropped from the Transportation budget. This test would have provided the Michigan Department of Transportation with data to support assertions of longer road life for pavement featuring a cement hydration catalyst and sealant. Road designs featuring this mix are supported by anecdotal data suggesting that for as little as 15 percent more upfront costs, roads could last up to four times as long. If we were to validate these assertions in a controlled lab environment, it would have helped make the definitive case to convert our maintenance interests. So much for the taxpayer. So much for an opportunity to see higher-quality roads and less orange barrels.

OK, so times are tight. Perhaps we simply couldn't afford these projects. The DPCS Medicaid Pilot was priced out at $800,000 per year for the next three years. The high-quality road test had no price tag in the budget but may have run as much as $500,000. The budget before us asserts that we cannot afford this $1.3 million allocation within our $1.3 billion budget increase. What could we afford?

How about $800,000 for the owners of the Michigan International Speedway? Traffic control for a single business is obviously more important that life-saving health care for low-income Medicaid enrollees. How about the $12 million in special grants? These special grants include $950,000 for a financially-distressed city that has a level 3, high priority capital improvement. It appears that some cities are more special than others. Or how about the additional $72 million handed out to Detroit Public Schools in addition to its foundation allowance? It appears that some school districts are more special than others.

It comes down to priorities. This budget makes special interests our priority. I've been in the State Senate for almost six years. When are we going to make taxpayers our priority? You and I are supposed to be their lobbyist. When was the last time we made them feel special? We had an opportunity to do that this budget cycle by taking steps to decrease the price of government by $4.5 billion. We could have done so without getting rid of any services. In fact, we would have improved government services. Instead, we increased the price of government by $1.3 billion with no signs of improvement on the horizon.

We blew it this year. Next year, we need to make sure that our taxpayers are our first priority for a change.

The President pro tempore, Senator Schuitmaker, resumed the Chair.

By unanimous consent the Senate returned to the order of

**Motions and Communications**

Senator Kowall moved that the following bills, now on the order of General Orders, be referred to the Committee on Appropriations:

**Senate Bill No. 782, entitled**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

**Senate Bill No. 797, entitled**

A bill to make appropriations for the department of state police for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

**Senate Bill No. 794, entitled**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

**Senate Bill No. 799, entitled**

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

**Senate Bill No. 789, entitled**

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

**Senate Bill No. 791, entitled**

A bill to make appropriations for the department of insurance and financial services for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

**Senate Bill No. 785, entitled**

A bill to make appropriations for the department of corrections for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

**Senate Bill No. 788, entitled**

A bill to make appropriations for the legislature, the executive, the department of attorney general, the department of state, the department of treasury, the department of technology, management, and budget, the department of civil rights, the department of talent and economic development, and certain state purposes related thereto for the fiscal year ending September 30, 2017; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; and to declare the effect of this act.

**House Bill No. 5291, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 4, 6, 11, 11a, 11j, 11k, 11m, 15, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31c, 31d, 31f, 32d, 32p, 35, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 101, 102d, 104, 107, 147, 147a, 147c, 152a, 166, 201, 201a, 202a, 203, 206, 207a, 207b, 207c, 209, 210b, 210c, 217, 219, 220, 222, 223, 224, 225, 226, 229a, 230, 236, 236a, 236b, 236c, 237b, 238, 241, 246, 251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 289, and 290 (MCL 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631c, 388.1631d,

388.1631f, 388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1701, 388.1702d, 388.1704, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766, 388.1801, 388.1801a, 388.1802a, 388.1803, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1810c, 388.1817, 388.1819, 388.1820, 388.1822, 388.1823, 388.1824, 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1837b, 388.1838, 388.1841, 388.1846, 388.1851, 388.1852, 388.1854, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1874c, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1889, and 388.1890), sections 4, 203, 219, 220, 223, 238, 251, and 254 as amended and section 237b as added by 2012 PA 201, section 6 as amended by 2016 PA 56, sections 11, 21f, 31a, 32d, and 107 as amended by 2015 PA 139, sections 11a, 11j, 11k, 11m, 15, 20, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25f, 26a, 26b, 26c, 31d, 31f, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 98, 99h, 101, 104, 147, 147a, 147c, 152a, 201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 225, 226, 229a, 230, 236, 236a, 236b, 236c, 241, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 25g, 31c, 35, 35a, 55, 61b, 65, 67, 99s, 102d, 210c, and 274c as added by 2015 PA 85, section 18 as amended by 2015 PA 114, sections 19, 202a, 224, and 275 as amended by 2014 PA 196, section 166 as amended by 1996 PA 300, and sections 289 and 290 as amended by 2013 PA 60, and by adding sections 11o, 11s, 20j, 21, 21g, 31b, 54b, 61c, 95b, 99t, 152b, and 167a; and to repeal acts and parts of acts.

The motion prevailed.

By unanimous consent the Senate returned to the order of

**Messages from the House**

**Senate Bill No. 914, entitled**

A bill to amend 1976 PA 390, entitled "Emergency management act," by amending section 18 (MCL 30.418), as amended by 2013 PA 109.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

By unanimous consent the Senate returned to the order of

**Third Reading of Bills**

Senator Kowall moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage at the head of the Third Reading of Bills calendar:

**House Bill No. 5189**
**House Bill No. 5190**
**House Bill No. 5191**
**House Bill No. 5706**
**House Bill No. 5631**
**House Bill No. 5562**
**Senate Bill No. 1007**

The motion prevailed, a majority of the members serving voting therefor.

The following bill was read a third time:

**House Bill No. 5189, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 36101, 36104, 36109, 36110, 36111, and 36202 (MCL 324.36101, 324.36104, 324.36109, 324.36110, 324.36111, and 324.36202), section 36101 as amended by 2008 PA 336, sections 36104 and 36110 as amended by 1996 PA 233, section 36109 as amended by 2007 PA 174, section 36111 as amended by 2011 PA 79, and section 36202 as amended by 2013 PA 86; and to repeal acts and parts of acts.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 417** **Yeas—36**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Emmons | Hune | Nofs | Stamas |
| Green | Johnson | O'Brien | Warren |
| Gregory | Jones | Pavlov | Young |
| Hansen | Knezek | Proos | Zorn |

**Nays—1**

Colbeck

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people's right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5190, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 51 (MCL 206.51), as amended by 2015 PA 180, and by adding section 312.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 418** **Yeas—36**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Emmons | Hune | Nofs | Stamas |
| Green | Johnson | O'Brien | Warren |

| | | | |
|---|---|---|---|
| Gregory | Jones | Pavlov | Young |
| Hansen | Knezek | Proos | Zorn |

**Nays—1**

Colbeck

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement by lien and otherwise of taxes on or measured by net income and on certain commercial, business, and financial activities; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5191, entitled**

A bill to amend 1941 PA 122, entitled "An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of this state; to prescribe certain powers and duties of the state treasurer; to establish the collection duties of certain other state departments for money or accounts owed to this state; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments, and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act," by amending section 30 (MCL 205.30), as amended by 2014 PA 424.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 419** **Yeas—37**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knollenberg | Robertson |
| Bieda | Hildenbrand | Kowall | Rocca |
| Booher | Hood | MacGregor | Schmidt |
| Brandenburg | Hopgood | Marleau | Schuitmaker |
| Casperson | Horn | Meekhof | Shirkey |
| Colbeck | Hune | Nofs | Stamas |
| Emmons | Johnson | O'Brien | Warren |
| Green | Jones | Pavlov | Young |
| Gregory | Knezek | Proos | Zorn |
| Hansen | | | |

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

The following bill was read a third time:
**House Bill No. 5706, entitled**
A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 819 (MCL 257.819), as amended by 2009 PA 137.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 420** **Yeas—35**

| | | | |
|---|---|---|---|
| Ananich | Hansen | Knezek | Proos |
| Bieda | Hertel | Knollenberg | Robertson |
| Booher | Hildenbrand | Kowall | Rocca |
| Brandenburg | Hood | MacGregor | Schmidt |
| Casperson | Hopgood | Marleau | Schuitmaker |
| Colbeck | Horn | Meekhof | Shirkey |
| Emmons | Hune | Nofs | Stamas |
| Green | Johnson | O'Brien | Zorn |
| Gregory | Jones | Pavlov | |

**Nays—2**

Warren Young

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the committee recommendation to give the bill immediate effect,
The recommendation was concurred in, 2/3 of the members serving voting therefor.
Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:
"An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and

chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of manufacturers, the manufacturers of automated technology, upfitters, owners, and operators of vehicles and service of process on residents and nonresidents; to regulate the introduction and use of certain evidence; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,".

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5631, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 50507 (MCL 324.50507), as amended by 2004 PA 124.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 421** **Yeas—34**

| | | | |
|---|---|---|---|
| Ananich | Hansen | Knollenberg | Proos |
| Bieda | Hertel | Kowall | Robertson |
| Booher | Hildenbrand | MacGregor | Rocca |
| Brandenburg | Hopgood | Marleau | Schmidt |
| Casperson | Horn | Meekhof | Schuitmaker |
| Colbeck | Hune | Nofs | Shirkey |
| Emmons | Johnson | O'Brien | Stamas |
| Green | Jones | Pavlov | Zorn |
| Gregory | Knezek | | |

**Nays—2**

Hood Warren

**Excused—0**

**Not Voting—1**

Young

In The Chair: Schuitmaker

Senator Hood moved that Senator Young be temporarily excused from the balance of today's session.

The motion prevailed.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the

environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people's right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

By unanimous consent the Senate proceeded to the order of

**Statements**

Senator O'Brien asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator O'Brien's statement is as follows:

Today is another sad day for my community. Kalamazoo County again experienced a senseless tragedy. Nine people were randomly attacked while they were enjoying a weekly bicycle ride. They were part of the Chain Gang Bicycle Club. Five died last night. They were mothers, fathers, grandfathers, and spouses. The five who died include Debra Bradley, Melissa Fevig-Hughes, and Suzanne Joan Sippel, all of Augusta; and Tony Nelson and Larry Paulik of Kalamazoo. Four more were seriously injured. They include Paul Gobble, Sheila Jeske, and Paul Runnels, all of Richland; and Jennifer Johnson of Kalamazoo.

Our community continues to show an ability to ban together and to stand tall no matter the tragedy, but we're grieving and we're hurting. I ask of you, when you go home, that you hold your loved ones close to you tonight. In my community, we're Kalamazoo strong. I continue to pray for all of the victims and their families.

A moment of silence was observed in memory of the Kalamazoo County Chain Gang Bicycle Club victims.

**Recess**

Senator Kowall moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 8:01 p.m.

10:10 p.m.

The Senate was called to order by the Assistant President pro tempore, Senator O'Brien.

During the recess, Senator Young entered the Senate Chamber.

By unanimous consent the Senate returned to the order of

**Messages from the House**

**House Bill No. 5383, entitled**

A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending sections 2 and 9 (MCL 12.252 and 12.259), section 2 as amended and section 9 as added by 2005 PA 232, and by adding section 12.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

Senator Kowall moved that rule 3.203 be suspended and that the bill be referred to the Committee of the Whole and placed on the General Orders calendar for consideration today.

The motion prevailed, a majority of the members serving voting therefor.

**House Bill No. 5384, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending the title and sections 3, 5, 6, 11, 11a, 501, 502, 507, 522, 528, 551, 552, 561, 654, 705, 921, 1147, 1225, 1229, 1231, 1233, 1237, 1240, 1250, 1351a, and 1356 (MCL 380.3, 380.5, 380.6, 380.11, 380.11a, 380.501, 380.502, 380.507, 380.522, 380.528, 380.551, 380.552, 380.561, 380.654, 380.705, 380.921, 380.1147, 380.1225, 380.1229, 380.1231, 380.1233, 380.1237, 380.1240, 380.1250, 380.1351a, and 380.1356), the title as amended by 2003 PA 179, section 3 as amended by 2007 PA 45, section 5 as amended by 2011 PA 232, sections 6 and 1250 as amended by 2009 PA 205, section 11 as amended by 1995 PA 289,

section 11a as amended by 2010 PA 91, sections 501, 502, 507, 522, 528, 551, and 561 as amended by 2011 PA 277, section 552 as amended by 2012 PA 129, section 705 as amended by 2003 PA 299, section 1147 as amended by 2014 PA 479, section 1225 as amended by 2012 PA 1, section 1229 as amended by 2011 PA 105, section 1231 as amended by 2002 PA 735, section 1233 as amended by 2000 PA 288, section 1237 as added by 2000 PA 387, section 1240 as added by 2004 PA 380, section 1351a as amended by 2002 PA 65, and section 1356 as amended by 2002 PA 181, and by adding sections 12b and 1233c and part 5b; and to repeal acts and parts of acts.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

Senator Kowall moved that rule 3.203 be suspended and that the bill be referred to the Committee of the Whole and placed on the General Orders calendar for consideration today.

The motion prevailed, a majority of the members serving voting therefor.

**House Bill No. 5387, entitled**

A bill to amend 1947 PA 336, entitled "An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; to require certain provisions in collective bargaining agreements; to prescribe means of enforcement and penalties for the violation of the provisions of this act; and to make appropriations," by amending sections 2a and 6 (MCL 423.202a and 423.206), section 2a as added and section 6 as amended by 1994 PA 112.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

Senator Kowall moved that rule 3.203 be suspended and that the bill be referred to the Committee of the Whole and placed on the General Orders calendar for consideration today.

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate returned to the order of

**General Orders**

Senator Kowall moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the Assistant President pro tempore, Senator O'Brien, designated Senator Hildenbrand as Chairperson.

After some time spent therein, the Committee arose; and the Assistant President pro tempore, Senator O'Brien, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:

**House Bill No. 5387, entitled**

A bill to amend 1947 PA 336, entitled "An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; to require certain provisions in collective bargaining agreements; to prescribe means of enforcement and penalties for the violation of the provisions of this act; and to make appropriations," by amending sections 2a and 6 (MCL 423.202a and 423.206), section 2a as added and section 6 as amended by 1994 PA 112.

The bill was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendment, the following bill:

**House Bill No. 5383, entitled**

A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending sections 2 and 9 (MCL 12.252 and 12.259), section 2 as amended and section 9 as added by 2005 PA 232, and by adding section 12.

The following is the amendment recommended by the Committee of the Whole:

1. Amend page 4, following line 12, by inserting:

"**(7) TO THE EXTENT THAT THE AMOUNT DEPOSITED INTO THE COMMUNITY DISTRICT EDUCATION TRUST FUND PURSUANT TO SUBSECTION (6) IS LESS THAN THE AMOUNT NECESSARY TO OFFSET THE ABSENCE OF LOCAL SCHOOL OPERATING REVENUE IN A COMMUNITY DISTRICT IN THE FUNDING OF THE STATE PORTION OF FOUNDATION ALLOWANCES UNDER SECTION 22B OF THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL 388.1622B, AND FOR AS LONG AS THAT COMMUNITY DISTRICT IS PROHIBITED UNDER SECTION 386 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.386, FROM LEVYING A SCHOOL OPERATING TAX, THE GENERAL FUND SHALL REIMBURSE THE SCHOOL AID FUND.**".

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with amendments, the following bill:

**House Bill No. 5384, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending the title and sections 3, 5, 6, 11, 11a, 501, 502, 507, 522, 528, 551, 552, 561, 654, 705, 921, 1147, 1225, 1229, 1231, 1233, 1237, 1240, 1250, 1351a, and 1356 (MCL 380.3, 380.5, 380.6, 380.11, 380.11a, 380.501, 380.502, 380.507, 380.522, 380.528, 380.551, 380.552, 380.561, 380.654, 380.705, 380.921, 380.1147, 380.1225, 380.1229, 380.1231, 380.1233, 380.1237, 380.1240, 380.1250, 380.1351a, and 380.1356), the title as amended by 2003 PA 179, section 3 as amended by 2007 PA 45, section 5 as amended by 2011 PA 232, sections 6 and 1250 as amended by 2009 PA 205, section 11 as amended by 1995 PA 289, section 11a as amended by 2010 PA 91, sections 501, 502, 507, 522, 528, 551, and 561 as amended by 2011 PA 277, section 552 as amended by 2012 PA 129, section 705 as amended by 2003 PA 299, section 1147 as amended by 2014 PA 479, section 1225 as amended by 2012 PA 1, section 1229 as amended by 2011 PA 105, section 1231 as amended by 2002 PA 735, section 1233 as amended by 2000 PA 288, section 1237 as added by 2000 PA 387, section 1240 as added by 2004 PA 380, section 1351a as amended by 2002 PA 65, and section 1356 as amended by 2002 PA 181, and by adding sections 12b and 1233c and part 5b; and to repeal acts and parts of acts.

The following are the amendments recommended by the Committee of the Whole:

1. Amend page 39, line 19, after the first "**SECTION**" by striking out "**OR UNDER SECTION 507, 528, OR 561,**" and inserting a comma.
2. Amend page 57, line 4, after "subgroup," by striking out the balance of the line through "section," on line 5.
3. Amend page 57, line 17, by striking out "If" and inserting "**SUBJECT TO SUBSECTION (6), IF**".
4. Amend page 57, line 24, after "year." by striking out "If" and inserting "**SUBJECT TO SUBSECTION (6), IF**".
5. Amend page 58, following line 2, by inserting:

"**(6) FOR A PUBLIC SCHOOL ACADEMY OR SITE THAT IS SUBJECT TO A NOTICE TO ITS AUTHORIZING BODY UNDER THIS SUBSECTION, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL CONSIDER OTHER PUBLIC SCHOOL OPTIONS AVAILABLE TO PUPILS IN THE GRADE LEVELS OFFERED BY THE PUBLIC SCHOOL ACADEMY OR SITE WHO RESIDE IN THE GEOGRAPHIC AREA SERVED BY THE PUBLIC SCHOOL ACADEMY OR SITE. IF THE STATE SCHOOL REFORM/REDESIGN OFFICER DETERMINES THAT CLOSURE OF THE PUBLIC SCHOOL ACADEMY OR SITE WOULD RESULT IN AN UNREASONABLE HARDSHIP TO THESE PUPILS BECAUSE THERE ARE INSUFFICIENT OTHER PUBLIC SCHOOL OPTIONS REASONABLY AVAILABLE FOR THESE PUPILS, THE STATE SCHOOL REFORM/REDESIGN OFFICER MAY RESCIND THE NOTICE. IF THE STATE SCHOOL REFORM/REDESIGN OFFICER RESCINDS A NOTICE SUBJECTING A PUBLIC SCHOOL ACADEMY OR SITE TO CLOSURE, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL DO SO BEFORE THE END OF THE SCHOOL YEAR. IF THE STATE SCHOOL REFORM/REDESIGN OFFICER RESCINDS A NOTICE SUBJECTING A PUBLIC SCHOOL ACADEMY OR SITE TO CLOSURE, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL REQUIRE THE PUBLIC SCHOOL ACADEMY OR SITE TO IMPLEMENT A SCHOOL IMPROVEMENT PLAN THAT INCLUDES MEASURES TO INCREASE PUPIL GROWTH AND IMPROVE PUPIL PROFICIENCY, WITH GROWTH AND PROFICIENCY MEASURED BY PERFORMANCE ON STATE ASSESSMENTS.**" and renumbering the remaining subsections.

6. Amend page 68, line 15, after "subgroup," by striking out the balance of the line through "section," on line 16.
7. Amend page 69, line 1, after "**BODY.**" by striking out "If" and inserting "**SUBJECT TO SUBSECTION (6), IF**".
8. Amend page 69, line 9, after "year." by striking out "If" and inserting "**SUBJECT TO SUBSECTION (6), IF**".
9. Amend page 69, following line 14, by inserting:

"**(6) FOR AN URBAN HIGH SCHOOL ACADEMY OR SITE THAT IS SUBJECT TO A NOTICE TO ITS AUTHORIZING BODY UNDER THIS SUBSECTION, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL CONSIDER OTHER PUBLIC SCHOOL OPTIONS AVAILABLE TO PUPILS IN THE GRADE LEVELS OFFERED BY THE URBAN HIGH SCHOOL ACADEMY OR SITE WHO RESIDE IN THE GEOGRAPHIC AREA SERVED BY THE URBAN HIGH SCHOOL ACADEMY OR SITE. IF THE STATE SCHOOL REFORM/REDESIGN OFFICER DETERMINES THAT CLOSURE OF THE URBAN HIGH SCHOOL ACADEMY OR SITE WOULD RESULT IN AN UNREASONABLE HARDSHIP TO THESE PUPILS BECAUSE THERE ARE INSUFFICIENT OTHER PUBLIC SCHOOL OPTIONS REASONABLY AVAILABLE FOR THESE PUPILS, THE STATE SCHOOL REFORM/REDESIGN OFFICER MAY RESCIND THE NOTICE. IF THE STATE SCHOOL REFORM/REDESIGN OFFICER RESCINDS A NOTICE SUBJECTING AN URBAN HIGH SCHOOL ACADEMY OR SITE TO CLOSURE, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL DO SO BEFORE THE END OF THE SCHOOL YEAR. IF THE STATE SCHOOL REFORM/REDESIGN OFFICER RESCINDS A NOTICE SUBJECTING AN URBAN HIGH SCHOOL ACADEMY OR SITE TO CLOSURE, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL REQUIRE THE URBAN HIGH SCHOOL ACADEMY OR SITE TO IMPLEMENT A SCHOOL IMPROVEMENT PLAN THAT INCLUDES MEASURES TO INCREASE PUPIL GROWTH AND IMPROVE PUPIL PROFICIENCY, WITH GROWTH AND PROFICIENCY MEASURED BY PERFORMANCE ON STATE ASSESSMENTS.**" and renumbering the remaining subsections.

10. Amend page 93, line 14, after "subgroup," by striking out the balance of the line through "section," on line 15.
11. Amend page 93, line 27, after "**BODY.**" by striking out "If" and inserting "**SUBJECT TO SUBSECTION (6), IF**".
12. Amend page 94, line 7, after "year." by striking out "If" and inserting "**SUBJECT TO SUBSECTION (6), IF**".
13. Amend page 94, following line 13, by inserting:

"**(6) FOR A SCHOOL OF EXCELLENCE OR SITE THAT IS SUBJECT TO A NOTICE TO ITS AUTHORIZING BODY UNDER THIS SUBSECTION, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL CONSIDER OTHER PUBLIC SCHOOL OPTIONS AVAILABLE TO PUPILS IN THE GRADE LEVELS OFFERED BY THE SCHOOL OF EXCELLENCE OR SITE WHO RESIDE IN THE GEOGRAPHIC AREA SERVED BY THE SCHOOL OF EXCELLENCE OR SITE. IF THE STATE SCHOOL REFORM/REDESIGN OFFICER DETERMINES THAT CLOSURE OF THE SCHOOL OF EXCELLENCE OR SITE WOULD RESULT IN AN UNREASONABLE HARDSHIP TO THESE PUPILS BECAUSE THERE ARE INSUFFICIENT OTHER PUBLIC SCHOOL OPTIONS REASONABLY AVAILABLE FOR THESE PUPILS, THE STATE SCHOOL REFORM/REDESIGN OFFICER MAY RESCIND THE NOTICE. IF THE STATE SCHOOL REFORM/REDESIGN OFFICER RESCINDS A NOTICE SUBJECTING A SCHOOL OF EXCELLENCE OR SITE TO CLOSURE, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL DO SO BEFORE THE END OF THE SCHOOL YEAR. IF THE STATE SCHOOL REFORM/REDESIGN OFFICER RESCINDS A NOTICE SUBJECTING A SCHOOL OF EXCELLENCE OR SITE TO CLOSURE, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL REQUIRE THE SCHOOL OF EXCELLENCE OR SITE TO IMPLEMENT A SCHOOL IMPROVEMENT PLAN THAT INCLUDES MEASURES TO INCREASE PUPIL GROWTH AND IMPROVE PUPIL PROFICIENCY, WITH GROWTH AND PROFICIENCY MEASURED BY PERFORMANCE ON STATE ASSESSMENTS.**" and renumbering the remaining subsections.

The Senate agreed to the amendments recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

**Third Reading of Bills**

Senator Kowall moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage at the head of the Third Reading of Bills calendar:

**House Bill No. 5383**
**House Bill No. 5384**
**House Bill No. 5387**

The motion prevailed, a majority of the members serving voting therefor.

The following bill was read a third time:

**House Bill No. 5383, entitled**

A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending sections 2 and 9 (MCL 12.252 and 12.259), section 2 as amended and section 9 as added by 2005 PA 232, and by adding section 12.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 422** **Yeas—20**

| | | | |
|---|---|---|---|
| Booher | Horn | MacGregor | Proos |
| Brandenburg | Hune | Marleau | Robertson |
| Green | Jones | Meekhof | Shirkey |
| Hansen | Knollenberg | Nofs | Stamas |
| Hildenbrand | Kowall | O'Brien | Zorn |

**Nays—17**

| | | | |
|---|---|---|---|
| Ananich | Gregory | Johnson | Schmidt |
| Bieda | Hertel | Knezek | Schuitmaker |
| Casperson | Hood | Pavlov | Warren |

Colbeck Hopgood Rocca Young
Emmons

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

Senator Kowall moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to create certain funds; to provide for the allocation of certain revenues among certain funds and for the operation, investment, and expenditure of certain funds; and to impose certain duties and requirements on certain state officials,".

The Senate agreed to the full title.

Senator Meekhof asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Meekhof's statement is as follows:

Many months of hard work and discussions will result in the passage of a legislative compromise to reform Detroit Public Schools. This package of bills resolves a half billion dollars in debt, provides resources necessary for DPS to transition to a new, debt-free district, and returns the school district to a locally-elected board at the earliest possible election date.

I have to acknowledge the tireless efforts of my colleague from the 34th District. He worked hard to present a thoughtful plan that garnered bipartisan support in the Senate. However, at the end of the day, any solution for DPS must have the support of both the Senate and the House.

This package we have in front of us represents a realistic compromise that will put DPS on a path for the future. I know there will be many who weigh in with opinions on how we could have done better. I know we will hear criticism about this compromise, but at the end of the day, our responsibility is to solve the problem.

There are more than 45,000 students who depend upon DPS and deserve stable, quality education options. This plan provides opportunity for the students and parents of Detroit. Without legislative action, Detroit Public Schools will head toward bankruptcy. Bankruptcy of the state's largest school district will cost billions of dollars and result in a funding cut for every student in every school district in Michigan.

I ask my colleagues to join me in supporting this solution for Detroit Public Schools. It is time to give this school district an opportunity to plan for the future.

The following bill was read a third time:

**House Bill No. 5384, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending the title and sections 3, 5, 6, 11, 11a, 501, 502, 507, 522, 528, 551, 552, 561, 654, 705, 921, 1147, 1225, 1229, 1231, 1233, 1237, 1240, 1250, 1351a, and 1356 (MCL 380.3, 380.5, 380.6, 380.11, 380.11a, 380.501, 380.502, 380.507, 380.522, 380.528, 380.551, 380.552, 380.561, 380.654, 380.705, 380.921, 380.1147, 380.1225, 380.1229, 380.1231, 380.1233, 380.1237, 380.1240, 380.1250, 380.1351a, and 380.1356), the title as amended by 2003 PA 179, section 3 as amended by 2007 PA 45, section 5 as amended by 2011 PA 232, sections 6 and 1250 as amended by 2009 PA 205, section 11 as amended by 1995 PA 289, section 11a as amended by 2010 PA 91, sections 501, 502, 507, 522, 528, 551, and 561 as amended by 2011 PA 277, section 552 as amended by 2012 PA 129, section 705 as amended by 2003 PA 299, section 1147 as amended by 2014 PA 479, section 1225 as amended by 2012 PA 1, section 1229 as amended by 2011 PA 105, section 1231 as amended by 2002 PA 735, section 1233 as amended by 2000 PA 288, section 1237 as added by 2000 PA 387, section 1240 as added by 2004 PA 380, section 1351a as amended by 2002 PA 65, and section 1356 as amended by 2002 PA 181, and by adding sections 12b and 1233c and part 5b; and to repeal acts and parts of acts.

The question being on the passage of the bill,

Senator Knezek offered the following substitute:

Substitute (S-1).

The substitute was not adopted, a majority of the members serving not voting therefor.

Senator Hood requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The substitute was not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 423** **Yeas—15**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Knezek | Warren |
| Bieda | Hood | Marleau | Young |
| Gregory | Hopgood | O'Brien | Zorn |
| Hansen | Johnson | Rocca | |

**Nays—22**

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | MacGregor | Robertson |
| Brandenburg | Horn | Meekhof | Schmidt |
| Casperson | Hune | Nofs | Schuitmaker |
| Colbeck | Jones | Pavlov | Shirkey |
| Emmons | Knollenberg | Proos | Stamas |
| Green | Kowall | | |

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

Senator Young offered the following amendment:

1. Amend page 25, following line 4, by inserting:

"**(15) IT IS THE INTENT OF THE LEGISLATURE THAT THE UNITED STATES DEPARTMENT OF JUSTICE SHALL CONDUCT A FORENSIC AUDIT OF ALL FINANCIAL RECORDS OF A QUALIFYING SCHOOL DISTRICT.**" and renumbering the remaining subsection.

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Hood requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 424** **Yeas—11**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Johnson | Warren |
| Bieda | Hood | Knezek | Young |
| Gregory | Hopgood | Rocca | |

**Nays—26**

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | Marleau | Robertson |
| Brandenburg | Horn | Meekhof | Schmidt |
| Casperson | Hune | Nofs | Schuitmaker |

| | | | |
|---|---|---|---|
| Colbeck | Jones | O'Brien | Shirkey |
| Emmons | Knollenberg | Pavlov | Stamas |
| Green | Kowall | Proos | Zorn |
| Hansen | MacGregor | | |

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

Senator Young offered the following amendments:

1. Amend page 54, following line 12, by inserting:

"**(11) A PUBLIC SCHOOL ACADEMY THAT IS LOCATED IN A COMMUNITY DISTRICT SHALL NOT ENTER INTO OR RENEW A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT OPERATES ON A FOR-PROFIT BASIS. AS USED IN THIS SUBSECTION, "EDUCATIONAL MANAGEMENT ORGANIZATION" AND "MANAGEMENT AGREEMENT" MEAN THOSE TERMS AS DEFINED IN SECTION 503C.**".

2. Amend page 65, following line 18, by inserting:

"**(11) AN URBAN HIGH SCHOOL ACADEMY THAT IS LOCATED IN A COMMUNITY DISTRICT SHALL NOT ENTER INTO OR RENEW A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT OPERATES ON A FOR-PROFIT BASIS. AS USED IN THIS SUBSECTION, "EDUCATIONAL MANAGEMENT ORGANIZATION" AND "MANAGEMENT AGREEMENT" MEAN THOSE TERMS AS DEFINED IN SECTION 523C.**".

3. Amend page 90, following line 20, by inserting:

"**(24) A SCHOOL OF EXCELLENCE THAT IS LOCATED IN A COMMUNITY DISTRICT SHALL NOT ENTER INTO OR RENEW A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT OPERATES ON A FOR-PROFIT BASIS. AS USED IN THIS SUBSECTION, "EDUCATIONAL MANAGEMENT ORGANIZATION" AND "MANAGEMENT AGREEMENT" MEAN THOSE TERMS AS DEFINED IN SECTION 553C.**".

The amendments were not adopted, a majority of the members serving not voting therefor.

Senator Hood requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 425** **Yeas—10**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Johnson | Warren |
| Bieda | Hood | Knezek | Young |
| Gregory | Hopgood | | |

**Nays—27**

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | Marleau | Rocca |
| Brandenburg | Horn | Meekhof | Schmidt |
| Casperson | Hune | Nofs | Schuitmaker |
| Colbeck | Jones | O'Brien | Shirkey |
| Emmons | Knollenberg | Pavlov | Stamas |
| Green | Kowall | Proos | Zorn |
| Hansen | MacGregor | Robertson | |

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

Senator Young offered the following amendments:

1. Amend page 54, following line 12, by inserting:

"**(11) A PUBLIC SCHOOL ACADEMY THAT IS LOCATED IN A COMMUNITY DISTRICT SHALL PROVIDE TRANSPORTATION TO AND FROM SCHOOL FOR ALL PUPILS ENROLLED IN THE SCHOOL.**".

2. Amend page 65, following line 18, by inserting:

"**(11) AN URBAN HIGH SCHOOL ACADEMY THAT IS LOCATED IN A COMMUNITY DISTRICT SHALL PROVIDE TRANSPORTATION TO AND FROM SCHOOL FOR ALL PUPILS ENROLLED IN THE SCHOOL.**".

3. Amend page 90, following line 20, by inserting:

"**(24) A SCHOOL OF EXCELLENCE THAT IS LOCATED IN A COMMUNITY DISTRICT SHALL PROVIDE TRANSPORTATION TO AND FROM SCHOOL FOR ALL PUPILS ENROLLED IN THE SCHOOL.**".

The amendments were not adopted, a majority of the members serving not voting therefor.

Senator Hood requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 426** **Yeas—10**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Johnson | Warren |
| Bieda | Hood | Knezek | Young |
| Gregory | Hopgood | | |

**Nays—27**

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | Marleau | Rocca |
| Brandenburg | Horn | Meekhof | Schmidt |
| Casperson | Hune | Nofs | Schuitmaker |
| Colbeck | Jones | O'Brien | Shirkey |
| Emmons | Knollenberg | Pavlov | Stamas |
| Green | Kowall | Proos | Zorn |
| Hansen | MacGregor | Robertson | |

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

Senator Young offered the following amendment:

1. Amend page 126, line 18, by striking out all of enacting section 2 and inserting:

"Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 98th Legislature are enacted into law:

(a) Senate Bill No. 711.

(b) Senate Bill No. 854.".

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Hood requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendment was not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 427** **Yeas—10**

| | | | |
|---|---|---|---|
| Ananich | Hertel | Johnson | Warren |
| Bieda | Hood | Knezek | Young |
| Gregory | Hopgood | | |

**Nays—27**

| | | | |
|---|---|---|---|
| Booher | Hildenbrand | Marleau | Rocca |
| Brandenburg | Horn | Meekhof | Schmidt |
| Casperson | Hune | Nofs | Schuitmaker |
| Colbeck | Jones | O'Brien | Shirkey |
| Emmons | Knollenberg | Pavlov | Stamas |
| Green | Kowall | Proos | Zorn |
| Hansen | MacGregor | Robertson | |

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 428** **Yeas—19**

| | | | |
|---|---|---|---|
| Booher | Hune | Marleau | Robertson |
| Brandenburg | Jones | Meekhof | Shirkey |
| Green | Knollenberg | Nofs | Stamas |
| Hildenbrand | Kowall | O'Brien | Zorn |
| Horn | MacGregor | Proos | |

**Nays—18**

| | | | |
|---|---|---|---|
| Ananich | Gregory | Johnson | Schmidt |
| Bieda | Hansen | Knezek | Schuitmaker |
| Casperson | Hertel | Pavlov | Warren |
| Colbeck | Hood | Rocca | Young |
| Emmons | Hopgood | | |

**Excused—0**

**Not Voting—0**

In The Chair: O'Brien

The President pro tempore, Senator Schuitmaker, resumed the Chair.

Senator Kowall moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

Senator Young asked and was granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Young's first statement is as follows:

Colleagues, my amendment would task the Justice Department with performing a forensic audit of the Detroit Public Schools system. Students, parents, and teachers have been suffering the negative effects of the state takeover from 1999 and the emergency managers for years—from Engler to Snyder—this has been going on. People have been raping, robbing, pillaging, and looting the district.

Not since Rome sacked Carthage, assaulted the earth, have we seen an entity be raped and pilfered and pillaged like DPS. We are talking about sewer rat, slime ball, if you stuck your fingers in the bottom of a septic tank, you would find these people who chose to rob from our school district—the dregs of society. I am talking about iniquitous beasts, known or so-called human beings. The only way to stop this is by criminal prosecution.

So I ask all of my colleagues to use the accounting process for the purpose of collecting information to present to a court to hold these damnable people accountable so we can make a statement that we can stop robbing from our children without punishment, because that is what they deserve. Punishment, period. I don't know why this is even an issue, but the fact that I'm wasting time talking about it shows how sad this is.

How are we going to put DPS on a path to healing when we can't even stop the damn EAA from stealing? Vote for my forensic audit because it is the right thing to do. Vote for my amendment if you believe in truth, justice, and the American way.

Senator Young's second statement is as follows:

An excellent public education should be the right of every child in this great nation. We need to ensure that schools funded with taxpayer dollars aren't turning a profit off the poor kids in our communities, especially if they are not performing. Under the House plan to fix the Detroit Public Schools system, charter schools can be created with little oversight or consideration. They cannot effectively operate unchecked. They are also subject to less stringent performance standards than the public schools around them.

That is why I am offering an amendment that would prohibit any new for-profit charter managing company from opening a charter school or academy in Detroit.

Senator Young's third statement is as follows:

Madam President, children need reliable transportation to and from school, whether public, charter, or private. Well, that's not happening in many Detroit communities, especially those with charter schools. Data Driven Detroit shows that the median one-way commute for most student is just under three miles. Let me say that again—three miles. Three miles. That is not a walkable distance for most children. To make matters worse, 1 in 4 Detroit households do not have a car. That means it is hard for many kids to get a ride if they need one. We can't expect kids to succeed if they don't have the means to get to school.

My amendment will require that charter schools provide transportation options for all of their students. This will help provide true schools of choice for all Detroit's families. It's time for the charter schools to put their money where their mouth is. If you really care about children, then you should provide transportation for them. It's not that difficult.

Senator Young's fourth statement is as follows:

My amendment would tie-bar this legislation to Senate Bill No. 584. Senate Bill 584 provides additional school aid funding to schools that offer expanding learning times for their students. We need to be providing kids with every chance to expand their educational opportunities.

Under expanded learning time—longer school days and hours—according to the National Time and Learning Center, children in English language arts increased their scores by eight points and in math 30 points. This is what we should have included in this legislation, and we didn't. Everywhere this has been tried, it has worked. That is what we should be doing for a change, reforms that work.

So I am asking my colleagues on both sides of the aisle to join me in making sure that we propose reforms that work so that our children can learn to read, write, count, and contribute to society. We need to make the future doctors, lawyers, engineers, scientists, and scholars today. Let's sacrifice today so that they can have a brighter tomorrow. I encourage you to vote for my amendment.

The following bill was read a third time:

**House Bill No. 5387, entitled**

A bill to amend 1947 PA 336, entitled "An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; to require certain provisions in collective bargaining agreements; to prescribe means of enforcement and penalties for the violation of the provisions of this act; and to make appropriations," by amending sections 2a and 6 (MCL 423.202a and 423.206), section 2a as added and section 6 as amended by 1994 PA 112.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 429** **Yeas—23**

| | | | |
|---|---|---|---|
| Booher | Hune | Marleau | Robertson |
| Brandenburg | Johnson | Meekhof | Schuitmaker |
| Colbeck | Jones | Nofs | Shirkey |
| Emmons | Knollenberg | O'Brien | Stamas |
| Green | Kowall | Pavlov | Zorn |
| Hildenbrand | MacGregor | Proos | |

**Nays—14**

| | | | |
|---|---|---|---|
| Ananich | Hansen | Horn | Schmidt |
| Bieda | Hertel | Knezek | Warren |
| Casperson | Hood | Rocca | Young |
| Gregory | Hopgood | | |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

Senator Kowall moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

The Senate agreed to the title of the bill.

**Protests**

Senators Hertel, Gregory, Knezek, Hood, Young and Hansen, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill Nos. 5383, 5384, and 5387.

Senators Hertel, Knezek, Hood and Young moved that the statements they made during the discussion of House Bill No. 5383 be printed as their reasons for voting "no."

The motion prevailed.

Senator Hertel's statement, in which Senator Gregory concurred, is as follows:

There are certain times when we as a legislative body must come together as one to do what is right for the future of our state. Some solutions cannot be decided by one party nor one house of the legislature.

Earlier this year, we as a Senate came together across party lines to address one of the most critical issues facing our state right now—the future of the Detroit Public Schools System. We passed bipartisan legislation that would serve to reform DPS in a way that was sustainable and truly transformative. The bills we passed affirmed the positions of educators as professionals and respected local autonomy in the district. They were a path, endorsed by both Mayor Duggan and Governor Snyder, to restoring public education in Detroit to the level of esteem it once held.

However, our colleagues in the House have amended this legislation to be bills of neither hope nor unison. Additionally, they have done so without any support or input from members who represent the district you say you want to fix. The House-passed legislation regarding DPS is deplorable.

The strike language will create chaos allowing one person to submit a claim. These bills produce legal chaos. Failing charter schools will continue to grow without oversight, while neighborhood schools close. A heavy reliance on merit pay would decrease teacher autonomy and increase the financial power of principals and administrators, some of whom have been indicted for fraud. Most alarmingly, uncertified teachers will be allowed to teach in our children's classrooms. Would you let an unlicensed doctor perform surgery on you? I would guess not, but this will allow unqualified teachers in Detroit. By the way, I doubt you would allow it in any of your districts back home.

Teachers are not the problem. They work in deplorable conditions for much less than what we make in this body. They have given money back to the district to keep it afloat. They give their blood, sweat, and tears for these children.
They certainly care more about these kids than politicians do. The solution to this problem should not be on their backs.

It is clear that the House-passed legislation is a punitive package of bills that serve only to hurt the children of Detroit who have struggled enough. The current state of these bills spells the end for Detroit Public Schools. That is the goal of the for-profit charter school industry, and you are doing their bidding. The legislation we sent to the House took time, effort, and collaboration. We cannot accept the hasty, partisan amendments we received in return. We cannot pass bills that lack regard for the effects they will have on the students and families of Detroit. We cannot be held hostage by the prospect of simply saying we fixed the problem.

Colleagues, I'm frustrated. The Senate has repeatedly tried to do good, bipartisan legislation, but, unfortunately, again we played Charlie Brown to the House's Lucy as they pull the football away and we cave to them. Think about that while you are driving home angry tonight on the busted roads that we didn't fix either. I swear, sometimes I believe my colleagues on the other side of the aisle have Stockholm syndrome, continually allowing the House Republicans to control what happens in this body.

I urge you to reject the House amendments to our legislation and to continue to stand for what is best for the future of education in this state and the people of the city of Detroit; also for those who represent Detroit who will not stand with you today.

Senator Knezek's statement is as follows:

This chamber worked so hard over a 15-month period to craft a bipartisan plan that would help make the Detroit Public Schools system a better school system for the students, the parents, and the teachers who currently rely on it. Unfortunately, what the House sent back to us, what we are getting ready to vote on here today, is a massive step backwards. In my opinion, it appears to be specifically designed to set DPS up for failure. We can all agree that we want a stable Detroit Public Schools system. I think that includes a system that allows for the opening and closing of schools in a manner that makes sense for the children in Detroit.

The House plan, without question, falls woefully short of these goals. Under the guise of protecting school choice, the House Republicans sent us a plan that offers parents no real choice at all. It simply protects failing schools in a model that offers students no real chance for success. It lacks any planning. It lacks any authority that would lend some common sense to the opening and closing of those schools through the district.

I have to be forthright with you, Madam President, when I say that with all the consternation, all the frustrations around the DEC and what that would do, I truly don't understand this. Nobody said in the beginning of this conversation that we wanted to have a pro-public or pro-charter argument. Nobody said that we wanted to pit schools against one another. We said from the beginning to set that argument aside, and let's have a conversation about good schools regardless of whether or not they are public or charter.

In the plan that we sent over to the House of Representatives, we said if you are an A school or a B school, it doesn't matter if you're public or charter. If you're a good school, keep doing good things and go anywhere that you want. But if you are a C school or a D school or an F school—a school that none of us would ever want our children to be in—well, you need to pump the brakes before you want to replicate throughout the city. If you push back on that plan, if you pushback on that model, you are saying that you want bad schools to continue operating. You want bad schools to continue to spread into the neighborhoods within my community. Why would we ever want bad schools responsible for educating our children? I truly don't understand it.

The system that we have her in front of us today perpetuates a system where charter authorizers have carte blanche to open up new schools. Again, anyone who wants to think it's a charter versus public argument, the charters aren't just syphoning away students from public schools anymore, but they are cannibalizing other charters. The enrollment for DPS has leveled-off over the past few years. You're not hurting DPS anymore; you're hurting yourselves. I know that some are going to say, "Senator, how could you be so anti-choice? Fifty percent of your kids are in charter schools." Again, I say to you that from the beginning, the argument for me never was pro-choice or anti-choice, pro-public or anti-public. It was about good schools. It was about a quality education. I wanted good schools in Detroit to expand. I wanted to use their proven models to improve educational outcomes for every single child across the city.

The solution that is in front of us seems so simple, Madam President, yet it seems so difficult to achieve. Why is that? Simply put, we are allowing one special interest group to decide the fate of 100,000 children in Detroit. I tell you, colleagues, that it pains me in my heart to say that because I hate it when we as elected officials boil down such huge issues into such infinitesimal talking points. Special interest groups come into the city. Unfortunately that is the truth of what is happening in front us here today. Not a ton of them, just one; kowtowing to just one person's wants.

The House seems so determined to continue with this nasty experiment on the children of Detroit. It is a strategy that Moody's has said systematically undermines the stability of Detroit Public Schools and contributed to that debt crisis itself. Here in the Senate, Madam President, in this body, we made sure that DPS would have an accountability system that applied fairly to all schools. What we were sent back is exactly what we would expect if one of these lobby groups were allowed to write the legislation—a plan with no accountability whatsoever; a plan that calls for thoroughly debunked ideas like merit pay and uncertified teachers; a plan that offers no real hope of resolving the deepest issues that face our education system in Detroit.

I hate to steal from my colleague, but I would again ask you, "Would you want uncertified teachers teaching your children?" If you could answer "yes" to that, it begs the question: "Where does it end?" My colleague talked about uncertified doctors. Would you want an uncertified lawyer representing you in the courtroom? I doubt it. Better yet, if your answer to that question is "no," which I think many of you would say, why is it OK to subject Detroit's children to an unequal and unproven model of education?

This legislation takes so many steps backwards and moves so far away from what the intent of this plan ever was from the beginning. Going after teachers, restricting collective bargaining, penalties for whistleblower actions taken by teachers to protest the conditions in their schools, and let us not forget the years of neglect and willful ignorance of the state appointed managers who helped to get us here in this first place. None of this, none of what are voting on today is sound, evidence-based policymaking. We should be wary of it.

Let's call this plan what it really is. Madam President, this plan is a farce. It is not about helping the children of Detroit. It's about money. It's about a political party. It's about a chamber that is so desperate to move on from this issue in an election cycle. It is about catering to lawmakers who are more worried about keeping their jobs come November than building a successful system for children in Detroit. This arrangement is little more than a stay of execution. Once the money runs out—and it will run out—the district will plunge back into debt and jeopardize the future of Detroit's children.

Colleagues, I ask you to not allow the House to hold us hostage. We know we can do better because we have done better in this chamber. In the Senate, we listened to teachers; we listened to parents; we listened to students; we listened to local officials; we listened to education experts; and we carefully assessed the dollar amount necessary to not only eliminate the debt, but to also set the district on a path to financial success. We built in funding to repair schools. We built in funding to help the district through the transition. Giving in to this ludicrous plan would be a mistake that your children don't pay for, but that Detroit children pay for. My community will continue to feel this pain for many years to come.

I strongly encourage you to vote "no" for the parents. I strongly encourage you to vote "no" for the teachers. Most importantly, I encourage you to vote "no" for the students of Detroit. We can do better, colleagues, and we must do better.

I would be remiss if I didn't point out, before I stepped away from the podium here today, my colleague from the 34th District. This is the plan that we took 15 months to develop. One hundred twenty-five pages, and we just threw it away. What an insult to a man who has spent so much time in my district, who has bent over backwards to get to know my community, who has sacrificed his own personal and political relationships, and who has sacrificed his relationships at home. You say what you want about our ten-member caucus, but we would never stab one of our own in the back like what you're doing to the Senator from the 34th District today. What an insult. What a slap in the face to him after all the hard work that he put into this bill. For that I say to the Senator that I am terribly sorry. From the bottom of my heart, I thank you for all the effort that you put into this. My community will not forget it and neither will I.

Senator Hood's statement is as follows:

I rise this moment with a sad and disgusted taste in my mouth and a sad and disgusted feeling in my heart. The question that was asked to us: Would we want these uncertified teachers in every district? The answer is no. I know you wouldn't. You know you wouldn't. Let's not play that game, because you don't have it in your district and you're not inviting it into your district. You're only inviting it into my district.

As the process has been going for the last couple of days, the heat has been turned up for an issue that is going to impact my district for years to come, not ten years, not 20 years, not 30 years. We are talking about hundreds of years—100, 200, 300, and on and on. It's going to impact the future. We sit here and play these Mickey Mouse games with lives because you don't give a care about them. You know what that tells me? No, I did not support the Senate legislation that came through here, but I sure don't support the legislation that came over from the House. I was willing to work from day one on that Senate plan, and I'm still willing to work on it today. I always have been open to that. But now, as has been stated before, we are knuckling under. Why? This is supposed to be the upper chamber. Everybody has been here for some time, but it doesn't seem like the upper chamber to me.

You coward. You coward—to even take and put this legislation before us and before my community and not even have one Detroiter in the room to help negotiate this piece. We would have said, "Hell no." Guess what? You go into your caucus, and they go into their caucus and do whatever they want to do to my community—the kids I have to look at everyday walking up and down the street. I have to look in their eyes; you don't. But you want to make the decisions on their lives, and tell them what kind of life they're going to have, what kind of education that they have because they don't have the same education that you get in your district. Why? Because this bill does not do it. This is not the answer. This is the crap that you shoved down our throats, and you shoved down their throats. These kids don't have a voice here. We are their voice. This is going to impact them for years.

This is a cowardly act, because why? We want to go on summer break. These are the last two days before summer break, and we want to get out of town. We want to go on vacation, and we want to go out and do whatever. The House wants to go out and campaign, so let's hurry up and do this at the last minute, and let's change it around. Let's not do the work that the people sent us here to do. Let's just throw something at Detroit—something that isn't going to work.

No. 1, it's not enough money. No. 2, you don't even know how much money is needed because nobody has done an audit to say how much the debt actually is. You don't know. You're fixing a problem that you don't even know what the answer is. This is what we are subjected to because you have the majority or somebody is in the minority or they are this part of the state or they're in that part of the state.

This is not what this place was meant to be. I'm ashamed to be a legislator today, because so much hard work has been put in these bills and the Senate bills. I'm totally ashamed. It's not me. It's the kids. It's the parents. It's the school district. It's not going to survive with this legislation. It's not. We all know that. Everybody in this room knows that. I tell you what, ten years from now I'm going to call you, and hopefully I'm still living, but I'm going to call and say, "See, told you." Mark this day, June 8, 2016, when we failed the citizens, the students, and the kids of the city of Detroit. You coward. Coward—because we didn't stand up for what is right. We stood up for a piece of legislation that was put together, and we know this is all bad legislation. We all know that. I just can't say much more than coward. It's a cowardly act. You come tell those kids in the city of Detroit. It's a shame.

We wonder why voters don't trust us anymore, because we don't deserve to be trusted. There is no way that I or anybody else from the city of Detroit would come to your district and tell you how to run your district or do things without your input, because you know your district better than anybody else here. You know your neighbors. You know the people across town. You know everybody. But I'm getting decisions made about my district that I have no control over. I don't even have a say-so. But you know better. Who made you God, you cowards?

Senator Young's statement is as follows:

I would like to start with a quote from First Lady Michelle Obama: "Education is the single most important civil rights issue we face today." It is a shame after all this sitting around, all this debating, all of this talking, all of these long-ass hours of being in this hot room that all we have come up with is this. All that negotiation and this is the best we can do for our children. This is the best. We are talking about a district where 47 percent of the city is functionally illiterate, where 66 percent of the children are not proficient in reading, and we have no plan for that. We are talking about a district where 30 percent of the families don't have transportation. We have no plan for that. We are talking about a district that is literally on the verge of financial apocalypse. The money that we are providing is not enough for it.

Colleagues, being here in the Senate with immense and intense power, what are we doing? Why go through all of the hours, shake all the hands, answer all the constituency phone calls, introduce all the bills, and go through all the work of being a lawmaker if, at the end of the day, you are not going to use your authority to solve the issues most pressing to our constituents? What is the point? I would really like someone to tell me.

A great man, Victor Hugo once said that there is nothing more powerful than an idea whose time has come. The idea for DPS to provide excellence in academics is an idea whose time has come. The idea of our children being able to read, write, and count is an idea whose time has come. The time for our children to walk to and from school without worrying about being assaulted by adults or animals is an idea whose time has come. The idea that children, whether in public or charter school, can have transportation provided to them, the time has come.

We in the Legislature had the ability to address these things, and we didn't. What does that say about us? What does it say about our character? What does it say about the fabric of who we are and about our humanity? That is what this is. It is about humanity. The right to education is a civil rights issue, but it's also a human rights issue. We have abandoned them not just this time, but for generations. It happened before I was born, and after these bills, probably after I am gone.

This action will go down in history. It will be remembered in the pantheon of accomplishments in the state of Michigan. What will it say on that wall? What will echo throughout eternity? That we did all we could, came together, and proposed the most comprehensive education plan the country has ever seen? Or will it say that because Dick DeVos didn't give us permission, we fell short of our goal, because the charter school people didn't like it.

We need to do what is right for our constituents. Who runs this state? Is it us as lawmakers or special interests? If it is the special interests, then let's go get Dick DeVos to put his Amway rights around the Capitol and call this DeVos Capitol.

In conclusion, all I am trying to say is that if we are not going to stand and do what is right, what is the purpose of gaining the entire world if you lose your soul? This state is losing a piece of itself. I just wanted to say that we had a tremendous opportunity before us to do right, and it is the children who will remember. I agree with the previous speaker, my good colleague. DPS is not going to survive. This will not be enough. We will have conversations about when it existed, when it used to be a school district. This is outrageous.

The lives of future Detroit children are no less important than yours. If we fail to make sure our kids have a safe school system that is stable and successful, we are fundamentally failing at being lawmakers. Colleagues, if we vote "yes" on this House plan, we will be failing.

According to a recent report published by the Department of Education, 96 percent of Detroit eighth-graders are not proficient in math, and 93 percent are not proficient in reading. How does this legislation make that better? Spoiler alert: It doesn't. What this legislation does is rely on bad policy already discredited nationwide when it comes to performance standards and merit pay for teachers. Maybe our friends in the House haven't heard in all those closed-door, smoke-filled sessions, but in addition to the debt crisis and crumbling buildings, we have a teacher shortage in Detroit. We don't fix that shortage by demonizing teachers, limiting collective bargaining, union busting, and making it harder for teachers to get the raises they deserve.

Nothing in this bill makes sense. I have teachers in my district who take money out of their own pockets to make sure that these kids have food, science projects, and who run across the street and make copies of assignments at Kinkos to make sure the kids have up-to-date paperwork. They deserve better. They are in a position, no fault of their own, and we are abandoning them.

Colleagues, we need to stand up for the kids in Detroit because it is clear that no one else will. I just don't think that in a time when you have six-month-old infants' blood running in the streets and a time we have children who cannot read or write; with kids who don't have the basic necessities for them, we cannot afford to play games. The children deserve better, and my constituency deserves better. I urge a "no" vote on this legislation.

Senator Hansen's statement, in which Senator Hertel concurred, is as follows:

I stand before this body to do what is normally statistically impossible—give a "no" vote explanation on legislation that I championed. That's a first for me, to say the least. But these are the circumstances where I have found myself. Every day for the past year, I have focused 100 percent of my energies on a package of bills that were intended to forge a new path forward for the future of Detroit Public Schools.

As I told the House of Appropriations Committee last month, after months of intense negotiation, it was truly a blessing for Democrats and Republicans in this chamber to partner together and agree on a compromise education reform plan. It was a bipartisan commitment to improving the educational future for the children of Detroit.

It was a plan that created a new community school district, separate from the old DPS and free of debt. It addressed the multitude of financial difficulties facing the district. It maintained educational choice and improved choice options for parents and students; avoided a lengthy and costly bankruptcy; returned local control to an elected school board; provided oversight of taxpayer dollars; and managed the opening of new schools so that all areas of the Detroit community would have access to quality school options.

Unfortunately, many critical elements necessary for real educational success in this district were not included in the bill that just came before us from the other chamber. It's been characterized that this compromise bill represents a proverbial three-fourths of a loaf of bread and that we should accept paying down the district's debt and returning elected control as acceptable outcomes only. Why should Detroit children accept anything that's less than what other children across this state are receiving? Why should Detroit children accept only three-fourths of our effort and not fix this problem once and for all?

Unfortunately, this bill provides a continued path that will pit DPS and charter schools against each other. Rather, we should be focused on creating an environment where good schools of all types have an opportunity to flourish and provide the educational services our children truly deserve. Instead, let's have a standard that holds everyone accountable and improves the quality of education. There are lots of choices for schools in Detroit, but these parents and children need to have quality choices.

My fear is that the serious lack of coordination related to school site planning decisions will continue. By not truly fixing these systemic problems, are we not furthering the confusion and chaos that negatively impacts parents' ability to seek stability and positive educational options for their children? I was encouraged that the legislation which initially passed this chamber would have brought about a new level of coordination, increased parental choice, and attract new education options for students.

The changes made to these bills, however, are not anchored in a way that will truly lead to academic improvement. There needed to be a real accountability system that would drive the academic outcomes we all expect.

All of us were elected to solve problems. Some problems are being solved here today, and others are being left unresolved to the detriment of Michigan taxpayers. I fear that a prime opportunity for real achievement has been missed.

I am a proud Republican from West Michigan, representing the fine people of the 34th Senate District, who also stands with the children and parents of Detroit. I will continue working with the fine leaders of this community to make sure the progress they have made in Detroit is not made in vain. Michigan will not reach its full potential until there's a healthy, vibrant Detroit. This work will never be complete without a stable educational community, which is necessary in order to ensure the revitalization of this city.

I'm honored to have had the opportunity to work alongside all of my colleagues in this chamber, as well as many passionate advocates across the state. Thank you to all of the stakeholders and interest groups who joined our initial efforts and put your reputations on the line. This was a just and honest cause.

Unfortunately, I was unable to support this bill, and it pains me greatly to say that. However, I will continue to work in a bipartisan way to ensure that Detroit families have the same strong, thriving education options as seen in other schools districts across the great state of Michigan.

By unanimous consent the Senate returned to the order of

## Messages from the House

**Senate Bill No. 711, entitled**

A bill to amend 2014 PA 181, entitled "Michigan financial review commission act," by amending sections 2, 3, 4, 5, 6, 7, 8, and 12 (MCL 141.1632, 141.1633, 141.1634, 141.1635, 141.1636, 141.1637, 141.1638, and 141.1642).

The House of Representatives has substituted (H-2) the bill.

The House of Representatives has passed the bill as substituted (H-2), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 2014 PA 181, entitled "An act to create the Michigan financial review commission act; to provide for the operation of certain commissions; to create funds and accounts; to prescribe the powers and duties of certain commissions, the state treasurer, certain other state officials and state employees, and certain local officials; to provide for the dissolution of certain commissions; and to make certain appropriations," by amending sections 3, 5, and 7 (MCL 141.1633, 141.1635, and 141.1637), as amended by 2016 PA 53.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Kowall moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 430** **Yeas—23**

| | | | |
|---|---|---|---|
| Booher | Horn | Marleau | Schmidt |
| Brandenburg | Hune | Meekhof | Schuitmaker |
| Casperson | Jones | Nofs | Shirkey |
| Green | Knollenberg | O'Brien | Stamas |
| Hansen | Kowall | Proos | Zorn |
| Hildenbrand | MacGregor | Robertson | |

**Nays—14**

| | | | |
|---|---|---|---|
| Ananich | Gregory | Johnson | Rocca |
| Bieda | Hertel | Knezek | Warren |
| Colbeck | Hood | Pavlov | Young |
| Emmons | Hopgood | | |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

Senator Kowall moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the title as amended.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 820, entitled**

A bill to amend 1978 PA 566, entitled "An act to encourage the faithful performance of official duties by certain public officers and public employees; to prescribe standards of conduct for certain public officers and public employees; to prohibit the holding of incompatible public offices; and to provide certain judicial remedies," by amending section 3 (MCL 15.183), as amended by 2015 PA 134.

The House of Representatives has substituted (H-2) the bill.
The House of Representatives has passed the bill as substituted (H-2) and ordered that it be given immediate effect.
Pending the order that, under rule 3.202, the bill be laid over one day,
Senator Kowall moved that the rule be suspended.
The motion prevailed, a majority of the members serving voting therefor.
The question being on concurring in the substitute made to the bill by the House,
The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 431** **Yeas—22**

| | | | |
|---|---|---|---|
| Booher | Horn | Marleau | Robertson |
| Brandenburg | Hune | Meekhof | Schmidt |
| Casperson | Jones | Nofs | Shirkey |
| Green | Knollenberg | O'Brien | Stamas |
| Hansen | Kowall | Proos | Zorn |
| Hildenbrand | MacGregor | | |

**Nays—15**

| | | | |
|---|---|---|---|
| Ananich | Gregory | Johnson | Schuitmaker |
| Bieda | Hertel | Knezek | Warren |
| Colbeck | Hood | Pavlov | Young |
| Emmons | Hopgood | Rocca | |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

Senator Kowall moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senator Johnson stated that he had intended to vote "nay" on the passage of the following bill:
**House Bill No. 5387**

**Senate Bill No. 822, entitled**

A bill to amend 1980 PA 243, entitled "Emergency municipal loan act," by amending sections 1, 2, 3, 4, and 6 (MCL 141.931, 141.932, 141.933, 141.934, and 141.936), section 1 as amended by 2012 PA 284 and sections 2, 3, 4, and 6 as amended by 2015 PA 115; and to repeal acts and parts of acts.

The House of Representatives has substituted (H-4) the bill.

The House of Representatives has passed the bill as substituted (H-4), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1980 PA 243, entitled "An act to provide emergency financial assistance for certain political subdivisions of this state; to create a local emergency financial assistance loan board and to prescribe the powers and duties of this board; to prescribe conditions for granting and receiving loans, to prescribe terms and conditions for the repayment of loans, and to allow the limiting of repayment by a county from specified revenue sources; to impose certain requirements and duties on certain state departments, political subdivisions of this state, and officials of this state and political subdivisions of this state; and to prescribe remedies and penalties," by amending sections 2, 3, 4, and 6 (MCL 141.932, 141.933, 141.934, and 141.936), as amended by 2015 PA 115; and to repeal acts and parts of acts.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Kowall moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

Senator Knezek offered the following amendments to the House substitute:

1. Amend page 1, following "**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**" by inserting:

"Sec. 1. As used in this act:

(a) "Board" means the local emergency financial assistance loan board created under section 2.

(b) "Fiscal year" means, unless otherwise provided in this act, the fiscal year of the municipality applying for a loan under this act.

(c) "Income tax collections" means the total collection of a municipality under the city income tax act, 1964 PA 284, MCL 141.501 to 141.787, in any calendar year.

(d) "Income tax revenue growth rate" means the quotient of the following:

(*i*) The numerator is the income tax collections of the municipality for the calendar year immediately preceding the municipality's application for a loan under this act.

(*ii*) The denominator is the income tax collections for the municipality for the calendar year preceding the calendar year used in determining the numerator.

(e) "Municipality" means a county, city, village, ~~or~~ township**, OR SCHOOL DISTRICT** in this state. ~~For the period beginning on October 1, 2011 and ending on September 30, 2018, municipality also includes a school district in this state.~~

(f) "Local tax base growth rate" for a municipality means the state equalized valuation of the real and personal property of the municipality for the most recent year for which data is available divided by the state equalized valuation of real and personal property of the municipality for the fifth year preceding the most recent year for which data is available.

(g) "Statewide tax base growth rate" means the total state equalized valuation for real and personal property for the most recent year for which data is available divided by the total state equalized valuation for the fifth year preceding the most recent year for which data is available.

(h) "State equalized valuation of real and personal property of the municipality" means the valuation determined under 1911 PA 44, MCL 209.1 to 209.8, of real and personal property within the municipality plus an amount equal to the state equalized valuation equivalent of certain revenues of the municipality as determined under this subdivision. The state equalized valuation equivalent shall be calculated by dividing the sum of the following amounts by the municipality's millage rate for the fiscal year:

(*i*) The amount levied by the municipality for its own use during the municipality's fiscal year from the specific tax levied under 1974 PA 198, MCL 207.551 to 207.572.

(*ii*) The amount levied by the municipality for its own use during the municipality's fiscal year from the specific tax levied under the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668.".

2. Amend page 6, line 6, by striking out all of section 3 and inserting:

"Sec. 3. (1) ~~For state fiscal years ending before October 1, 2011, the~~ **THE** board may authorize loans under this act to municipalities that total up to ~~$5,000,000.00 in a state fiscal year. For state fiscal years beginning after September 30, 2018, the board may authorize loans under this act to municipalities that total up to $10,000,000.00 in a state fiscal year, but a loan to a single municipality shall not exceed $4,000,000.00 in a state fiscal year. For the period beginning on October 1, 2011 and ending on September 30, 2018, the board may do all of the following:~~

~~(a) Authorize loans to municipalities other than school districts that total up to $48,000,000.00 during the period. Loans to a single municipality under this subdivision shall not total more than $20,000,000.00.~~

~~(b) Authorize loans to municipalities that are school districts that total up to $70,000,000.00 during the period. Loans to a single school district under this subdivision shall not total more than $20,000,000.00. The board shall not authorize a loan to a school district organized as a school district of the first class under part 6 of the revised school code, 1976 PA 451, MCL 380.401 to 380.485.~~**$148,000,000.00. THE BOARD ALSO MAY AUTHORIZE A LOAN OF UP TO $300,000,000.00 TO A SCHOOL DISTRICT THAT IS OR BECOMES A QUALIFYING SCHOOL DISTRICT AS DESCRIBED IN SECTION 12B OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.12B.**

(2) The board may authorize loans under this act to a county within the following limitations:

(a) In the 1998-99 state fiscal year, the board may authorize loans under this act to a county with a population greater than 1,500,000.

(b) For a state fiscal year in which the block grant appropriated to a county with a population of more than 1,500,000 that is organized under 1966 PA 293, MCL 45.501 to 45.521, and that is a county juvenile agency is less than the amount required to be distributed to that county in that year under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, the board may authorize a loan to that county in an amount not greater than the difference between the amount of the block grant and the amount required to be distributed to that county for that fiscal year under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The board is not required to authorize loans under this subdivision to a county for more than 1 state fiscal year.

(3) If in a state fiscal year the block grant appropriated to a county other than a county described in subsection (2) that is a county juvenile agency is less than the amount required to be distributed to that county in that year under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, the board may authorize a loan to that county in an amount not greater than the difference between the amount of the block grant and the amount required to be distributed to that county under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, in that state fiscal year.

(4) Sections 6(2) ~~,~~ **AND** 7 ~~, and 8~~ and the conditions listed in section 4(1) do not apply to a loan authorized under subsection (2) or (3).

(5) The proceeds of a loan made under subsection (2) or (3) shall be maintained in a separate account and shall not be commingled with the county's general fund or any other special fund or account.

(6) The state treasurer or his or her designee shall monitor the expenditure of the proceeds of any loan made under subsection (2) or (3).

(7) The proceeds of a loan made under subsection (2) or (3) are subject to the county juvenile agency act, 1998 PA 518, MCL 45.621 to 45.631.

(8) Except as otherwise provided in this subsection, revenue for loans made under this act shall be provided from the surplus funds of this state under authorization granted under section 1 of 1855 PA 105, MCL 21.141**, OR FROM THE REPAYMENT PROCEEDS OF OTHER LOANS ISSUED UNDER THIS ACT OR SOLD OR TRANSFERRED UNDER SECTION 6A**. Alternatively, for a school district, revenue for a loan made under this act may be provided from money advanced to the school district by this state from money appropriated from the state school aid fund established under section 11 of article IX of the state constitution of 1963 and payable to the school district under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896.

(9) After September 30, 2012, the board may restructure payments, but not the outstanding principal balance or interest, on a loan to a municipality under subsection (1) if all of the following apply:

(a) The municipality is in compliance with the terms of the loan and any other requirements applicable to the municipality under this act.

(b) The municipality is in compliance with any requirements relating to a deficit elimination plan under state law.

(c) The municipality is in compliance with any applicable **NEUTRAL EVALUATION PROCESS, SETTLEMENT AGREEMENT,** consent agreement**,** or order of an emergency manager under the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or a successor statute.

(d) For a municipality that is a school district, the school district is in compliance with all requirements for receipt of the foundation allowance and any other requirements applicable to the school district under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896.

(e) For a municipality other than a school district, the municipality is in compliance with ~~all conditions for economic vitality incentive program money or~~ statutory revenue sharing or other requirements applicable to the municipality under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(f) The restructuring of payments complies with applicable law.

(g) The loan has not been sold or transferred under section 6a.

(10) As used in this section, "county juvenile agency" means that term as defined in section 2 of the county juvenile agency act, 1998 PA 518, MCL 45.622.".

The amendments to the substitute were not adopted.

Senator Hood requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments to the substitute were not adopted, a majority of the members not voting therefor, as follows:

**Roll Call No. 432** **Yeas—14**

| | | | |
|---|---|---|---|
| Ananich | Hansen | Johnson | O'Brien |
| Bieda | Hertel | Knezek | Warren |
| Casperson | Hood | Nofs | Young |
| Gregory | Hopgood | | |

**Nays—23**

| | | | |
|---|---|---|---|
| Booher | Horn | Marleau | Schmidt |
| Brandenburg | Hune | Meekhof | Schuitmaker |
| Colbeck | Jones | Pavlov | Shirkey |
| Emmons | Knollenberg | Proos | Stamas |
| Green | Kowall | Robertson | Zorn |
| Hildenbrand | MacGregor | Rocca | |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 433** **Yeas—21**

| | | | |
|---|---|---|---|
| Booher | Horn | MacGregor | Proos |
| Brandenburg | Hune | Marleau | Robertson |
| Casperson | Jones | Meekhof | Shirkey |
| Green | Knollenberg | Nofs | Stamas |
| Hansen | Kowall | O'Brien | Zorn |
| Hildenbrand | | | |

**Nays—16**

| | | | |
|---|---|---|---|
| Ananich | Gregory | Johnson | Schmidt |
| Bieda | Hertel | Knezek | Schuitmaker |
| Colbeck | Hood | Pavlov | Warren |
| Emmons | Hopgood | Rocca | Young |

**Excused—0**

**Not Voting—0**

In The Chair: Schuitmaker

Senator Kowall moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the title as amended.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

## Recess

Senator Kowall moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 11:38 p.m.

11:45 p.m.

The Senate was called to order by the President pro tempore, Senator Schuitmaker.

Senator Kowall moved that, pursuant to rule 1.114, upon receipt of Senate bills returned from the House of Representatives, the Secretary of the Senate be directed to proceed with the enrollment printing and presentation of the bills to the Governor.
The motion prevailed.

## Committee Reports

The Committee on Finance reported
**Senate Bill No. 570, entitled**
A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 7o (MCL 211.7o), as amended by 2006 PA 681.
With the recommendation that the substitute (S-1) be adopted and that the bill then pass.
The committee further recommends that the bill be given immediate effect.

Jack M. Brandenburg
Chairperson

To Report Out:
Yeas: Senators Brandenburg, Robertson, Knollenberg, Casperson and Proos
Nays: Senators Bieda and Warren
The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Finance reported
**Senate Bill No. 991, entitled**
A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 1 (MCL 205.51), as amended by 2016 PA 8.
With the recommendation that the bill pass.
The committee further recommends that the bill be given immediate effect.

Jack M. Brandenburg
Chairperson

To Report Out:
Yeas: Senators Brandenburg, Robertson, Knollenberg, Casperson, Proos and Warren
Nays: None
The bill was referred to the Committee of the Whole.

The Committee on Finance reported
**Senate Bill No. 1009, entitled**
A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 78q (MCL 211.78q), as added by 2014 PA 499.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Jack M. Brandenburg
Chairperson

To Report Out:

Yeas: Senators Brandenburg, Robertson, Knollenberg, Casperson, Proos, Bieda and Warren

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Finance reported

**House Bill No. 5283, entitled**

A bill to amend 1995 PA 29, entitled "Uniform unclaimed property act," by amending sections 2 and 36 (MCL 567.222 and 567.256), section 2 as amended by 2015 PA 242, and by adding section 36a.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Jack M. Brandenburg
Chairperson

To Report Out:

Yeas: Senators Brandenburg, Robertson, Knollenberg, Casperson, Proos, Bieda and Warren

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Finance submitted the following:

Meeting held on Tuesday, June 7, 2016, at 8:30 a.m., Room 210, Farnum Building

Present: Senators Brandenburg (C), Robertson, Knollenberg, Casperson, Proos, Bieda and Warren

The Committee on Appropriations reported

**Senate Bill No. 1007, entitled**

A bill to amend 2012 PA 101, entitled "Autism coverage reimbursement act," by amending section 7 (MCL 550.1837).

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

David S. Hildenbrand
Chairperson

To Report Out:

Yeas: Senators Hildenbrand, MacGregor, Hansen, Stamas, Schuitmaker, Knollenberg, Booher, Shirkey, Proos, Nofs, Green, Marleau, Gregory, Hopgood, Hertel, Knezek and Young

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

**House Bill No. 5562, entitled**

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 117a (MCL 400.117a), as amended by 2015 PA 81.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

David S. Hildenbrand
Chairperson

To Report Out:

Yeas: Senators Hildenbrand, MacGregor, Hansen, Stamas, Schuitmaker, Knollenberg, Booher, Shirkey, Proos, Nofs, Green, Marleau, Gregory, Hopgood, Hertel, Knezek and Young

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

**House Bill No. 5631, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 50507 (MCL 324.50507), as amended by 2004 PA 124.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

David S. Hildenbrand
Chairperson

To Report Out:

Yeas: Senators Hildenbrand, MacGregor, Hansen, Stamas, Schuitmaker, Knollenberg, Booher, Shirkey, Proos, Nofs, Green, Marleau, Gregory, Hopgood, Hertel, Knezek and Young

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Appropriations reported

**House Bill No. 5706, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 819 (MCL 257.819), as amended by 2009 PA 137.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

David S. Hildenbrand
Chairperson

To Report Out:

Yeas: Senators Hildenbrand, MacGregor, Hansen, Stamas, Schuitmaker, Knollenberg, Booher, Shirkey, Proos, Nofs, Green, Marleau, Gregory, Hopgood, Hertel and Knezek

Nays: Senator Young

The bill was referred to the Committee of the Whole.

## COMMITTEE ATTENDANCE REPORT

The Committee on Appropriations submitted the following:

Meeting held on Wednesday, June 8, 2016, at 2:00 p.m., Harry T. Gast Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Hildenbrand (C), MacGregor, Hansen, Stamas, Schuitmaker, Knollenberg, Booher, Shirkey, Proos, Nofs, Green, Marleau, Gregory, Hopgood, Hertel, Knezek and Young

The Committee on Judiciary reported

**House Bill No. 5641, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 2950n.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Rick Jones
Chairperson

To Report Out:

Yeas: Senators Jones, Schuitmaker, Colbeck and Bieda

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Judiciary reported

**House Bill No. 5642, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 2950o.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Rick Jones
Chairperson

To Report Out:
Yeas: Senators Jones, Schuitmaker, Colbeck and Bieda
Nays: None
The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Judiciary submitted the following:
Meeting held on Wednesday, June 8, 2016, at 9:00 a.m., Room 110, Farnum Building
Present: Senators Jones (C), Schuitmaker, Colbeck and Bieda
Excused: Senator Rocca

**Scheduled Meetings**

**Economic Development and International Investment -** Thursday, June 9, 9:00 a.m., Room 210, Farnum Building (373-5323)

**Oversight -** Thursday, June 9, 8:30 a.m., Room 100, Farnum Building (373-5314)

**Senate Fiscal Agency Board of Governors -** Thursday, June 9, 9:30 a.m., Harry T. Gast Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Senator Kowall moved that the Senate adjourn.
The motion prevailed, the time being 11:46 p.m.

The Assistant President pro tempore, Senator O'Brien, declared the Senate adjourned until Thursday, June 9, 2016, at 10:00 a.m.

JEFFREY F. COBB
Secretary of the Senate