

**No. 66**  
**STATE OF MICHIGAN**  
**Journal of the Senate**  
**94th Legislature**  
**REGULAR SESSION OF 2008**

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Senate Chamber, Lansing, Friday, June 27, 2008.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor John D. Cherry, Jr.

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

Allen—present  
Anderson—present  
Barcia—present  
Basham—present  
Birkholz—present  
Bishop—present  
Brater—present  
Brown—present  
Cassis—present  
Cherry—present  
Clark-Coleman—present  
Clarke—present  
Cropsey—present

Garcia—present  
George—present  
Gilbert—present  
Gleason—present  
Hardiman—present  
Hunter—present  
Jacobs—present  
Jansen—present  
Jelinek—present  
Kahn—present  
Kuipers—present  
McManus—present  
Olshove—present

Pappageorge—present  
Patterson—present  
Prusi—present  
Richardville—present  
Sanborn—present  
Schauer—present  
Scott—present  
Stamas—present  
Switalski—present  
Thomas—present  
Van Woerkom—present  
Whitmer—excused

Senator Tupac A. Hunter of the 5th District offered the following invocation:

The 23rd Psalm:

“The LORD is my shepherd; I shall not want. He maketh me to lie down in green pastures: he leadeth me beside the still waters. He restoreth my soul: he leadeth me in the paths of righteousness for his name’s sake. Yea, though I walk through the valley of the shadow of death, I will fear no evil: for thou art with me; thy rod and thy staff they comfort me. Thou preparest a table before me in the presence of mine enemies: thou anointest my head with oil; my cup runneth over. Surely goodness and mercy shall follow me all the days of my life: and I will dwell in the house of the LORD for ever.” Amen.

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

### Motions and Communications

Senator Cropsey moved that the enrollment be vacated on the following bill:

**Senate Bill No. 1239, entitled**

A bill to amend 1893 PA 206, entitled “An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” by amending section 7cc (MCL 211.7cc), as amended by 2008 PA 96.

The motion prevailed, and the bill was placed on the order of Messages from the House.

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

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

### Recess

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

The motion prevailed, the time being 10:04 a.m.

11:36 a.m.

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

During the recess, Senators Garcia, Hardiman, Clarke, Thomas, Sanborn, Gleason, Switalski, Jelinek and McManus entered the Senate Chamber.

The following communication was received and read:

Office of the Auditor General

June 25, 2008

Enclosed is a copy of the following audit report:

Performance audit of the School Report Card Program, Michigan Department of Education.

Sincerely,  
Thomas H. McTavish, C.P.A.  
Auditor General

The audit report was referred to the Committee on Government Operations and Reform.

The following communication was received:  
Department of Community Health

June 23, 2008

In accordance with MCL 333.7524a., I am pleased to present to the Michigan Legislature the 16th comprehensive report on asset forfeiture. Michigan's asset forfeiture program saves taxpayer money and deprives drug criminals of cash and property obtained through illegal activity. Michigan's law enforcement community has done an outstanding job of stripping drug dealers of illicit gain and utilizing these proceeds to expand and enhance drug enforcement efforts to protect our citizens.

During 2007, over \$27.9 million in cash and assets amassed by drug traffickers was forfeited and placed into the fight against drugs through the use of state and federal forfeiture laws. Extensive multi-agency teamwork is evident in this report. Considerable assets were obtained as the result of joint enforcement involving several agencies at the federal, state and local levels.

Forfeiture funds were used to further enforce drug laws by providing resources for drug enforcement personnel, needed equipment, undercover informant and investigative costs, and matching funds to obtain federal grants. Some of the forfeited assets were also used for drug and gang prevention education programs.

I commend our law enforcement community for the tremendous job they have done and submit this report for your information and review.

Sincerely,  
Donald L. Allen, Jr., Director  
Office of Drug Control Policy

The communication was referred to the Secretary for record.

The following communication was received:  
Joint Committee on Administrative Rules

#### Waiver of Remaining Session Days

June 26, 2008

The Joint Committee on Administrative Rules has by a concurrent majority vote, waived the remaining session days, pursuant to MCL 24.245a(1), for the following rule set dated May 9, 2008: Department of Labor and Economic Growth—State Housing and Community Development Program—General Rules—Part 9. Michigan Housing and Community Development Program (2008-002 LG).

According to MCL 24.245a(2), if the Committee waives the remaining session days, the State Office of Administrative Hearings and Rules may immediately file the rule.

Sincerely,  
Senator John Pappageorge  
Chair

Representative Dudley Spade  
Alternate Chair

The communication was referred to the Secretary for record.

#### COMMITTEE ATTENDANCE REPORT

The Joint Committee on Administrative Rules submitted the following:

Meeting held on Thursday, June 26, 2008, at 8:30 a.m., Rooms 402 and 403, Capitol Building

Present: Senators Pappageorge (C), Van Woerkom and Clarke

Excused: Senators Kuipers and Barcia

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, June 26:

**House Bill Nos. 5534 5746 5752 5934 5935 5938 5951 5987 5992 6112**

The Secretary announced the enrollment printing and presentation to the Governor on Thursday, June 26, for her approval the following bill:

**Enrolled Senate Bill No. 572 at 10:33 a.m.**

The Secretary announced that the following official bills and joint resolution were printed on Thursday, June 26, and are available at the legislative website:

**Senate Bill Nos. 1414 1415**  
**House Bill Nos. 6279 6280 6281 6282**  
**House Joint Resolution DDD**

By unanimous consent the Senate proceeded to the order of  
**Messages from the Governor**

Senator Cropsey moved that consideration of the following bills be postponed for today:

**Senate Bill No. 436**  
**Senate Bill No. 222**  
**Senate Bill No. 229**  
**Senate Bill No. 232**  
**Senate Bill No. 238**  
**Senate Bill No. 240**  
**Senate Bill No. 776**

The motion prevailed.

The following message from the Governor was received:

Date: June 26, 2008  
Time: 9:13 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 1256 (Public Act No. 166), being**

An act to amend 2006 PA 152, entitled “An act to allow the requiring of a permit before demonstrating outside of locations in which a funeral service is being held; to allow local units of government to prohibit certain conduct at or near the locations in which a funeral service is being held; to prescribe the powers and duties of certain local governments and officials; and to provide for penalties,” by amending section 3 (MCL 123.1113).

(Filed with the Secretary of State on June 26, 2008, at 10:24 a.m.)

Respectfully,  
Jennifer M. Granholm  
Governor

The following messages from the Governor were received and read:

June 26, 2008

I respectfully submit to the Senate pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following reappointments to office under Section 7 of the Agricultural Commodities Marketing Act, 1965 PA 232, MCL 290.657:

**Michigan Asparagus Marketing Program Committee**

Mr. Eugene M. Kokx II of 6189 North 126th Avenue, Hart, Michigan 49420, county of Oceana, reappointed to represent growers from Northern-Central Michigan, for a term expiring November 13, 2009.

Ms. Sarah J. Greiner of 2542 North 128th Avenue, Hart, Michigan 49420, county of Oceana, reappointed to represent Northern-Central growers, for a term expiring November 13, 2010.

Mr. Frederick J. Tubbs of 3748 North Oceana Drive, Hart, Michigan 49420, county of Oceana, reappointed to represent Northern-Central growers, for a term expiring November 13, 2010.

June 26, 2008

I respectfully submit to the Senate pursuant to Article V, Section 6 of the Michigan Constitution of 1963, the following reappointments to office under Section 2 of the Electrical Administrative Act, 1956 PA 217, MCL 338.882:

**Electrical Administrative Board**

Mr. Mark A. Bauer of 6041 Windy Gyle Drive, Bay City, Michigan 48706, county of Bay, reappointed to represent master electricians serving as a supervisor, for a term expiring August 10, 2011.

Mr. Ernest A. Harju of 1269 County Road FN, Champion, Michigan 49814, county of Marquette, reappointed to represent electrical journeymen, for a term expiring August 10, 2011.

Mr. Joseph F. Reyes of 15651 White Oak, Fraser, Michigan 48026, county of Macomb, reappointed to represent electrical parts distributors, for a term expiring August 10, 2011.

Sincerely,  
Jennifer M. Granholm  
Governor

The appointments were referred to the Committee on Government Operations and Reform.

### Messages from the House

Senator Cropsey moved that consideration of the following bills be postponed for today:

**Senate Bill No. 53**

**House Bill No. 4120**

**House Bill No. 4507**

**Senate Bill No. 868**

**Senate Bill No. 239**

The motion prevailed.

#### **Senate Bill No. 150, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 261 (MCL 206.261), as amended by 2007 PA 94.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Cropsey 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. 453**

**Yeas—36**

Anderson	Clark-Coleman	Jacobs	Prusi
Barcia	Clarke	Jansen	Richardville
Basham	Cropsey	Jelinek	Sanborn
Birkholz	Garcia	Kahn	Schauer
Bishop	George	Kuipers	Scott
Brater	Gilbert	McManus	Stamas
Brown	Gleason	Olshove	Switalski
Cassis	Hardiman	Pappageorge	Thomas
Cherry	Hunter	Patterson	Van Woerkom

**Nays—0**

**Excused—0**

**Not Voting—2**

Allen

Whitmer

In The Chair: President

Senator Cropsey moved that Senator Allen be temporarily excused from the balance of today's session. The motion prevailed.

Senator Thomas moved that Senator Whitmer be excused from 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. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senator Allen entered the Senate Chamber.

**Senate Bill No. 218, entitled**

A bill to amend 1974 PA 198, entitled "An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties," by amending section 9 (MCL 207.559), as amended by 2007 PA 146.

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 Cropsey 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 Cropsey moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

**Senate Bill No. 412, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 261d.

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,

Senator Cropsey moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

**Senate Bill No. 668, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 19b of chapter XIIA (MCL 712A.19b), as amended by 2000 PA 232.

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.

**Senate Bill No. 669, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 19a of chapter XIIA (MCL 712A.19a), as amended by 2004 PA 473.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Cropsey 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. 454**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

**Senate Bill No. 670, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 13b of chapter XIIA (MCL 712A.13b), as amended by 2004 PA 475.

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.

**Senate Bill No. 671, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 19 of chapter XIIA (MCL 712A.19), as amended by 2004 PA 477.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,  
 Senator Cropsey 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. 455****Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0****Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

**Senate Bill No. 672, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 19c of chapter XIIA (MCL 712A.19c), as amended by 2004 PA 476.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Cropsey 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. 456****Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville



Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

**Senate Bill No. 846, entitled**

A bill to prohibit the investment of certain state money or other assets in companies with certain types of business operations in countries designated as state sponsors of terror; to require divestment of any current investments in those companies; and to provide for the powers and duties of certain state and local governmental officers and entities.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1) and ordered that it be given immediate effect.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Cropsey 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 Cropsey moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

**Senate Bill No. 975, entitled**

A bill to amend 1992 PA 147, entitled "Neighborhood enterprise zone act," by amending section 3 (MCL 207.773), as amended by 2005 PA 339.

The House of Representatives has amended the bill as follows:

1. Amend page 4, line 8, by striking out all of subsection (6) inserting:

**“(6) A RESOLUTION DESIGNATING A NEIGHBORHOOD ENTERPRISE ZONE IN AN OBSOLETE PROPERTY REHABILITATION DISTRICT THAT WAS CREATED BY A LOCAL UNIT OF GOVERNMENT ON JUNE 6, 2003, AND FOR WHICH THE STATE TAX COMMISSION ISSUED OBSOLETE PROPERTY REHABILITATION CERTIFICATES ON AUGUST 26, 2003, AND SEPTEMBER 24, 2003 WILL CAUSE ANY PREVIOUS CERTIFICATE TO EXPIRE ON THE DECEMBER 30 IMMEDIATELY PRECEDING THE DECEMBER 31 ON WHICH THE FIRST NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE IS EFFECTIVE. THE TAXABLE VALUE OF THE PARCEL SHALL BE CALCULATED USING THE VALUE OF THE PARCEL BEFORE THE BUILDING PERMIT WAS ISSUED. THIS SUBDIVISION AUTHORIZES AN AMENDED OBSOLETE PROPERTY REHABILITATION CERTIFICATE APPROVED BY THE STATE TAX**

**COMMISSION FOR THE PORTION OF THE PARCEL CONTAINED IN THE ORIGINAL CERTIFICATE FOR WHICH AN APPLICATION FOR A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE WAS NOT SUBMITTED.”.**

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

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Cropsey moved that the rule be suspended.

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

The question being on concurring in the amendment made to the bill by the House,

The amendment was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 457**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

**Senate Bill No. 1380, entitled**

A bill to amend 1984 PA 270, entitled “Michigan strategic fund act,” by amending section 88b (MCL 125.2088b), as added by 2005 PA 225, and by adding section 88q.

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.

**Senate Bill No. 1239, entitled**

A bill to amend 1893 PA 206, entitled “The general property tax act,” by amending section 7cc (MCL 211.7cc), as amended by 2008 PA 96.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Cropsey 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. 458**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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

**Senate Bill No. 346, entitled**

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” (MCL 750.1 to 750.568) by adding section 66. Substitute (H-1).

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. 459**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn

Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

**Senate Bill No. 370, entitled**

A bill to amend 1927 PA 372, entitled “An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act,” by amending sections 1, 2a, 5f, and 5o (MCL 28.421, 28.422a, 28.425f, and 28.425o), section 2a as added by 2000 PA 381 and sections 1, 5f and 5o as amended by 2002 PA 719.

Substitute (H-4).

The question being on concurring in the substitute made to the bill by the House,  
Senator Richardville offered the following amendments to the substitute:

1. Amend page 1, following “**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**” by striking out all of section 1.

2. Amend page 9, following line 7, by striking out all of subparagraph (vi).

The amendments to the substitute were adopted.

The question being on concurring in the House substitute, as amended.

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 460**

**Yeas—35**

Allen	Clarke	Jansen	Richardville
Anderson	Cropsey	Jelinek	Sanborn
Barcia	Garcia	Kahn	Schauer
Basham	George	Kuipers	Scott
Birkholz	Gilbert	McManus	Stamas

Bishop  
Brown  
Cassis  
Cherry

Gleason  
Hardiman  
Hunter  
Jacobs

Olshove  
Pappageorge  
Patterson  
Prusi

Switalski  
Thomas  
Van Woerkom

**Nays—2**

Brater

Clark-Coleman

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

Senator Richardville offered to amend the title to read as follows:

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending sections 2a, 5f, and 5o (MCL 28.422a, 28.425f, and 28.425o), section 2a as added by 2000 PA 381 and sections 5f and 5o as amended by 2002 PA 719.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

**Senate Bill No. 836, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 166b (MCL 388.1766b), as amended by 1999 PA 119.

Substitute (H-1).

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. 461****Yeas—37**

Allen  
Anderson  
Barcia  
Basham  
Birkholz  
Bishop  
Brater  
Brown  
Cassis  
Cherry

Clark-Coleman  
Clarke  
Cropsey  
Garcia  
George  
Gilbert  
Gleason  
Hardiman  
Hunter

Jacobs  
Jansen  
Jelinek  
Kahn  
Kuipers  
McManus  
Olshove  
Pappageorge  
Patterson

Prusi  
Richardville  
Sanborn  
Schauer  
Scott  
Stamas  
Switalski  
Thomas  
Van Woerkom

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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 proceeded to the order of

**General Orders**

Senator Cropsey 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 Cherry, designated Senator Basham as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**House Bill No. 5925, entitled**

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 111, 525, 537, 603, 607, 906, and 1027 (MCL 436.1111, 436.1525, 436.1537, 436.1603, 436.1607, 436.1906, and 436.2027), section 525 as amended by 2006 PA 539, sections 537 and 607 as amended by 2005 PA 269, section 906 as amended by 2008 PA 11, and section 1027 as amended by 2001 PA 46, and by adding section 534.

**House Bill No. 5638, entitled**

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending section 5 (MCL 125.2005), as amended by 2005 PA 225.

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:

**Senate Bill No. 1351, entitled**

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," (MCL 436.1101 to 436.2303) by adding section 526.

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. 1352, entitled**

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," (MCL 436.1101 to 436.2303) by adding section 413.

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. 1370, entitled**

A bill to amend 1972 PA 106, entitled "Highway advertising act of 1972," by amending sections 2, 7, 7a, 11a, 17, and 21 (MCL 252.302, 252.307, 252.307a, 252.311a, 252.317, and 252.321), sections 2, 7, and 17 as amended and section 11a as added by 2006 PA 448 and section 7a as added by 2006 PA 447, and by adding section 17a.

Substitute (S-4).

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

1. Amend page 12, line 14, after "**211,000**" by inserting "**AND MORE THAN 175,000 AS DETERMINED BY THE MOST RECENT FEDERAL DECENNIAL CENSUS**".

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:  
**Senate Bill No. 1263, entitled**

A bill to amend 1978 PA 472, entitled "An act to regulate political activity; to regulate lobbyists, lobbyist agents, and lobbying activities; to require registration of lobbyists and lobbyist agents; to require the filing of reports; to prescribe the powers and duties of the department of state; to prescribe penalties; and to repeal certain acts and parts of acts," by amending section 4 (MCL 4.414) and by adding section 19.

Substitute (S-1).

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

1. Amend page 4, following line 26, by inserting:

"Enacting section 1. This amendatory act takes effect September 1, 2008." and renumbering the remaining enacting section.

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. 4001, entitled**

A bill to regulate and to require certain reports to be filed by persons who receive contributions for purposes of defending elected officials from criminal, civil, and administrative actions; to regulate contributions made for purposes of defending elected officials from criminal, civil, and administrative actions; to prescribe certain powers and duties of the bureau of elections as to legal defense funds; and to prescribe penalties and civil sanctions.

Substitute (S-2).

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

1. Amend page 3, line 7, after "official." by inserting "For purposes of this act, a legal defense fund does not include a fund of a local government association that is an exempt organization under section 501(c)(4) of the internal revenue code of 1986, 26 USC 501, or of a local government organization, if money in the organization's fund is composed of money that is excluded from the definition of gross income under section 115(2) of the internal revenue code of 1986, 26 USC 115."

2. Amend page 8, line 7, after the first "than" by striking out "90" and inserting "93".

3. Amend page 13, following line 6, by inserting:

"Enacting section 1. This amendatory act takes effect September 1, 2008." and renumbering the remaining enacting section.

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. 5681, entitled**

A bill to amend 1982 PA 162, entitled "Nonprofit corporation act," by amending sections 106, 404, 505, 548, 611, 901, and 922 (MCL 450.2106, 450.2404, 450.2505, 450.2548, 450.2611, 450.2901, and 450.2922), sections 106, 404, and 901 as amended by 2008 PA 9 and section 611 as amended by 1984 PA 209.

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.

By unanimous consent the Senate returned to the order of  
**Third Reading of Bills**

Senator Cropsey 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:

**Senate Bill No. 1351**

**Senate Bill No. 1352**

**House Bill No. 5925**

**Senate Bill No. 1370**

**Senate Bill No. 1263**

**House Bill No. 4001**

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

Senator Cropsey moved that the following bills be placed at the head of the Third Reading of Bills calendar:

**House Bill No. 4490**

**House Bill No. 4491**

**Senate Bill No. 1351**

**Senate Bill No. 1352**

**House Bill No. 5925**

**Senate Bill No. 1370**

**Senate Bill No. 1263**

**House Bill No. 4001**

The motion prevailed.

The following bill was announced:

**House Bill No. 4490, entitled**

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending sections 2, 12, and 12b (MCL 28.422, 28.432, and 28.432b), section 2 as amended by 2004 PA 101, section 12 as amended by 2006 PA 75, and section 12b as added by 1982 PA 182; and to repeal acts and parts of acts.

(This bill was read a third time on June 26 and consideration postponed. See Senate Journal No. 65, p. 1304.)

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. 462**

**Yeas—34**

Allen	Clarke	Jansen	Prusi
Anderson	Cropsey	Jelinek	Richardville
Barcia	Garcia	Kahn	Sanborn
Basham	George	Kuipers	Schauer
Birkholz	Gilbert	McManus	Stamas
Bishop	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry	Jacobs		

**Nays—3**

Brater

Clark-Coleman

Scott



**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Richardville 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.

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

The motion prevailed.

Senator Richardville's statement is as follows:

The two bills before us this afternoon serve to eliminate a burdensome process for law-abiding pistol owners in this state. Last week, this body unanimously approved Senate Bill No. 370 and Senate Bill No. 371, which address the same issue. House Bill No. 4490 and its substitute allows for a pistol owner to either mail or take in person their purchase license to a local law enforcement agency. In addition, the substitute clarifies that someone who acquires a pistol in any way other than buying it also must send in their purchase license within ten days of taking possession of the pistol. Furthermore, if a pistol owner does not send in his or her purchase license within ten days, they face a state civil infraction of not more than \$250, instead of a misdemeanor under current law.

Since we are eliminating post-purchase pistol inspections, House Bill No. 4491 and its substitute strike the misdemeanor penalty for post-purchase pistol inspections from the penal code.

These bills are tie-barred to Senate Bill No. 370.

Colleagues and Mr. Lieutenant Governor, I thank you for the time, and I hope for your support.

The following bill was read a third time:

**House Bill No. 4491, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending sections 224b and 231a (MCL 750.224b and 750.231a), section 231a as amended by 2002 PA 82; 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. 463****Yeas—34**

Allen	Clarke	Jansen	Prusi
Anderson	Cropsey	Jelinek	Richardville
Barcia	Garcia	Kahn	Sanborn
Basham	George	Kuipers	Schauer
Birkholz	Gilbert	McManus	Stamas
Bishop	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry	Jacobs		

**Nays—3**

Brater

Clark-Coleman

Scott

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Richardville 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 revise, consolidate, codify, and add to the statutes relating to crimes; to define crimes and prescribe the penalties and remedies; to provide for restitution under certain circumstances; to provide for the competency of evidence at the trial of persons accused of crime; to provide immunity from prosecution for certain witnesses appearing at such trials; and to repeal certain acts and parts of acts inconsistent with or contravening any of the provisions of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

**Senate Bill No. 1351, entitled**

A bill to amend 1998 PA 58, entitled “Michigan liquor control code of 1998,” (MCL 436.1101 to 436.2303) by adding section 526.

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. 464****Yeas—35**

Allen	Cherry	Jansen	Richardville
Anderson	Clark-Coleman	Jelinek	Sanborn
Barcia	Clarke	Kahn	Schauer
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Olshove	Switalski
Brater	Gleason	Pappageorge	Thomas
Brown	Hunter	Patterson	Van Woerkom
Cassis	Jacobs	Prusi	

**Nays—2**

Cropsey

Hardiman

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 1352, entitled**

A bill to amend 1998 PA 58, entitled “Michigan liquor control code of 1998,” (MCL 436.1101 to 436.2303) by adding section 413.

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. 465**

**Yeas—35**

Allen	Cherry	Jansen	Richardville
Anderson	Clark-Coleman	Jelinek	Sanborn
Barcia	Clarke	Kahn	Schauer
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Olshove	Switalski
Brater	Gleason	Pappageorge	Thomas
Brown	Hunter	Patterson	Van Woerkom
Cassis	Jacobs	Prusi	

**Nays—2**

Cropsey	Hardiman
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**Excused—1**

Whitmer
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**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 5925, entitled**

A bill to amend 1998 PA 58, entitled “Michigan liquor control code of 1998,” by amending sections 111, 525, 537, 603, 607, 906, and 1027 (MCL 436.1111, 436.1525, 436.1537, 436.1603, 436.1607, 436.1906, and 436.2027), section 525 as amended by 2006 PA 539, sections 537 and 607 as amended by 2005 PA 269, section 906 as amended by 2000 PA 431, and section 1027 as amended by 2001 PA 46, and by adding section 534.

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. 466**

**Yeas—35**

Allen	Cherry	Jansen	Richardville
Anderson	Clark-Coleman	Jelinek	Sanborn
Barcia	Clarke	Kahn	Schauer

Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Olshove	Switalski
Brater	Gleason	Pappageorge	Thomas
Brown	Hunter	Patterson	Van Woerkom
Cassis	Jacobs	Prusi	

**Nays—2**

Cropsey	Hardiman
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**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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 create a commission for the control of the alcoholic beverage traffic within this state, and to prescribe its powers, duties, and limitations; to provide for powers and duties for certain state departments and agencies; to impose certain taxes for certain purposes; to provide for the control of the alcoholic liquor traffic within this state and to provide for the power to establish state liquor stores; to prohibit the use of certain devices for the dispensing of alcoholic vapor; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges to those cooperatives; to provide for the licensing and taxation of activities regulated under this act and the disposition of the money received under this act; to prescribe liability for retail licensees under certain circumstances and to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for allocation of certain funds for certain purposes; to provide for the confiscation and disposition of property seized under this act; to provide referenda under certain circumstances; and to repeal acts and parts of acts.”.

The Senate agreed to the full title.

The following bill was read a third time:

**Senate Bill No. 1370, entitled**

A bill to amend 1972 PA 106, entitled “Highway advertising act of 1972,” by amending sections 2, 7, 7a, 11a, 17, and 21 (MCL 252.302, 252.307, 252.307a, 252.311a, 252.317, and 252.321), sections 2, 7, and 17 as amended and section 11a as added by 2006 PA 448 and section 7a as added by 2006 PA 447.

The question being on the passage of the bill,

Senator Hunter offered the following amendment:

1. Amend page 24, following line 5, by inserting:

“Sec. 18. The following signs or sign structures are prohibited:

- (a) Those which purport to regulate, warn, or direct the movement of traffic or which interfere with, imitate, or resemble any official traffic sign, signal, or device.
- (b) Those which are not adequately maintained and in a good state of repair.
- (c) Those which are erected or maintained upon trees or painted or drawn upon rocks or other natural resources.
- (d) Those which prevent the driver of a motor vehicle from having a clear and unobstructed view of approaching, intersecting, or merging traffic.
- (e) Those which are abandoned.

(f) Those that involve motion or rotation of any part of the structure, running animation or displays, or flashing or moving lights. This subdivision does not apply to a sign or sign structure with static messages or images that change if the rate of change between 2 static messages or images does not exceed more than 1 change per 6 seconds, each change is complete in 1 second or less, and the maximum daylight sign luminance level does not exceed 62,000 candelas per meter squared at 40,000 lux illumination beginning 1/2 hour after sunrise and continuing until 1/2 hour before sunset and does not exceed 375 candelas per meter squared at 4 lux illumination at all other times. In addition to the above requirements, signs exempted under this subdivision shall be configured to default to a static display in the event of mechanical failure.

(g) Signs found to be in violation of subdivision (f) shall be brought into compliance by the permit holder or its agent no later than 24 hours after receipt by the permit holder or its agent of an official written notice from the department. Failure to comply with this subdivision within this specified time frame shall result in a \$100.00 penalty being assessed to the sign owner for each day the sign remains out of compliance. The first repeat violation of subdivision (f), for a specific sign, shall also be brought into compliance by the permit holder or its agent within 24 hours after receipt of an official written notice from the department. Failure to comply with the official written notice within the 24-hour period for the first repeat violation subjects the sign owner to a \$1,000.00 penalty for each day the sign remains out of compliance. These penalties are required to be submitted to the department before the sign's permit is renewed under section 6. Second repeat violations of subdivision (f), for a specific sign, shall result in permanent removal of the variable message display device from that sign by the department or the sign owner.

**(H) THOSE THAT VIOLATE COMMUNITY STANDARDS OF DECENCY.”.**

The question being on the adoption of the amendment,

Senator Cropsey moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

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

The motion prevailed.

Senator Basham's statement is as follows:

This chamber has done a lot of heavy lifting trying to stop the proliferation of billboards in this state. There has been much work on this bill, Senate Bill No.1370, and I appreciate the good work from members on the other side of the aisle. There are still some problems with the bill. This would actually grant an interim permit from July of 2008 to October of 2008, which effectively removes the hard cap that was placed on the number of billboards in this state.

Under Senate Bill No. 1370, any sign structure that is within 500 feet or more away from an existing billboard will now be eligible to apply for an interim permit. So this is not just about one billboard, and although it is amended to restrict to counties with a population of fewer than 211,000, this would still result in the potential of interim permits. Consequently, a substantial number of new, potential billboards could be not eliminated but actually go back into compliance under this legislation, since no permits are required to be surrendered in order to acquire an interim permit under this provision. The total number of billboards issued absolutely will increase.

I might also note that Scenic Michigan is opposed to this current legislation. The Michigan Environmental Council is opposed to it, and the Michigan Department of Transportation is opposed to it in its current form. I would urge members not to support Senate Bill No. 1370.

The following bill was read a third time:

**Senate Bill No. 1263, entitled**

A bill to amend 1978 PA 472, entitled “An act to regulate political activity; to regulate lobbyists, lobbyist agents, and lobbying activities; to require registration of lobbyists and lobbyist agents; to require the filing of reports; to prescribe the powers and duties of the department of state; to prescribe penalties; and to repeal certain acts and parts of acts,” by amending section 4 (MCL 4.414) and by adding section 19.

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. 467**

**Yeas—37**

Allen  
Anderson  
Barcia

Clark-Coleman  
Clarke  
Cropsey

Jacobs  
Jansen  
Jelinek

Prusi  
Richardville  
Sanborn

Basham  
Birkholz  
Bishop  
Brater  
Brown  
Cassis  
Cherry

Garcia  
George  
Gilbert  
Gleason  
Hardiman  
Hunter

Kahn  
Kuipers  
McManus  
Olshove  
Pappageorge  
Patterson

Schauer  
Scott  
Stamas  
Switalski  
Thomas  
Van Woerkom

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 4001, entitled**

A bill to regulate and to require certain reports to be filed that document contributions for purposes of defending an elected official in a criminal, civil, or administrative action; to regulate contributions made for purposes of defending an elected official in a criminal, civil, or administrative action; to prescribe certain powers and duties of the secretary of state as to legal defense funds; and to prescribe criminal penalties and civil sanctions.

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. 468**

**Yeas—37**

Allen  
Anderson  
Barcia  
Basham  
Birkholz  
Bishop  
Brater  
Brown  
Cassis  
Cherry

Clark-Coleman  
Clarke  
Cropsey  
Garcia  
George  
Gilbert  
Gleason  
Hardiman  
Hunter

Jacobs  
Jansen  
Jelinek  
Kahn  
Kuipers  
McManus  
Olshove  
Pappageorge  
Patterson

Prusi  
Richardville  
Sanborn  
Schauer  
Scott  
Stamas  
Switalski  
Thomas  
Van Woerkom

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

By unanimous consent the Senate returned to the order of  
**Motions and Communications**

Senator Cropsey moved that the Committee on Finance be discharged from further consideration of the following bill:

**House Bill No. 5893, entitled**

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending sections 201 and 203 (MCL 208.1201 and 208.1203), section 201 as amended by 2007 PA 145.

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

Senator Cropsey moved that the rules be suspended and that the following bill, now on the order of General Orders, be placed on the General Orders calendar for consideration today:

**House Bill No. 5893**

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

By unanimous consent the Senate proceeded to the order of  
**Conference Reports**

Senator Hardiman submitted the following:

FIRST CONFERENCE REPORT

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

**Senate Bill No. 1093, entitled**

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Recommends:

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

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**COMMUNITY COLLEGES**

APPROPRIATION SUMMARY:

GROSS APPROPRIATION..... \$ 299,360,500

	For Fiscal Year Ending Sept. 30, 2009
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 0
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ 299,360,500</b>
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 .....	\$ 299,360,500
<b>Sec. 102. OPERATIONS</b>	
Alpena Community College .....	\$ 5,126,100
Bay de Noc Community College.....	5,178,400
Delta College.....	13,751,600
Glen Oaks Community College.....	2,304,800
Gogebic Community College .....	4,275,200
Grand Rapids Community College.....	17,219,800
Henry Ford Community College .....	20,898,900
Jackson Community College .....	11,542,300
Kalamazoo Valley Community College.....	11,888,600
Kellogg Community College.....	9,311,800
Kirtland Community College .....	2,842,800
Lake Michigan College .....	5,012,100
Lansing Community College.....	29,762,500
Macomb Community College.....	31,773,900
Mid Michigan Community College.....	4,289,200
Monroe County Community College .....	4,142,800
Montcalm Community College .....	2,981,600
C.S. Mott Community College.....	15,016,400
Muskegon Community College .....	8,518,600
North Central Michigan College .....	2,893,600
Northwestern Michigan College.....	8,682,000
Oakland Community College .....	20,133,700
St. Clair County Community College .....	6,729,800
Schoolcraft College .....	11,767,000
Southwestern Michigan College.....	6,276,900
Washtenaw Community College.....	12,149,000
Wayne County Community College.....	15,889,900
West Shore Community College .....	2,198,500
<b>GROSS APPROPRIATION .....</b>	<b>\$ 292,557,800</b>
Appropriated from:	
State general fund/general purpose .....	\$ 292,557,800
<b>Sec. 103. GRANTS</b>	
At-risk student success program.....	\$ 3,322,700
Renaissance zone tax reimbursement funding.....	3,480,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 6,802,700</b>
Appropriated from:	
State general fund/general purpose .....	\$ 6,802,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$299,360,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$299,360,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$ 292,557,800
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At-risk student success program.....	3,322,700
Renaissance zone tax reimbursement program.....	3,480,000
TOTAL.....	\$ <u>299,360,500</u>

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

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of labor and economic growth shall use the Internet to fulfill the reporting requirements of this act. 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 should 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 principal executive officer of each community college 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 principal executive officer shall strongly encourage firms with which the community college contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 211. (1) The money appropriated in this act is appropriated for community colleges with fiscal years ending June 30, 2009 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, 2008. Each community college shall accrue its July and August 2009 payments to its institutional fiscal year ending June 30, 2009. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2007-2008 to the department of labor and economic growth by November 1, 2008, the monthly installments shall be withheld from that community college until those data are submitted. The amount from the money appropriated in part 1 that is allocated to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2008. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

(2) Except as otherwise provided by law, each of the amounts appropriated shall be used solely for the respective purposes stated in this act. The money appropriated in this act may be used to match the cost of any available programs under the Carl D. Perkins vocational and applied technology education act of 1998, 20 USC 2301 to 2415, including local administration.

Sec. 216. (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, as a condition of receiving money appropriated under this act.

(2) A community college shall not pay an employer’s contribution to more than 1 retirement fund providing benefits for an employee.

Sec. 217. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project. A community college shall comply with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy.

Sec. 224. (1) Recognizing the critical importance of education in strengthening Michigan’s workforce, the legislature encourages the state’s public community colleges to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

(2) Recognizing the central role of community colleges in responding to local employment needs and challenges, community colleges shall develop and continue efforts to collaborate with local employers and students to identify local employment needs and strategies to meet them.

(3) Community colleges are encouraged to collaborate with each other on innovations to identify and meet local employment needs.

(4) Community colleges are encouraged to organize and participate in a legislative summit on a strategy for meeting the employment needs of the entire state. The community colleges shall report the results of the summit to the senate and house appropriations subcommittees on community colleges.

Sec. 234. Community colleges shall do the following:

(a) Undertake active measures to promote equal opportunities, eliminate discrimination, and foster a diverse student body and administration among all people including, but not limited to, women, minorities, seniors, veterans, and people with disabilities.

(b) Review, analyze, and eradicate activities that may tend to discriminate.

Sec. 239. The legislature intends that any executive or legislative proposal or action, subsequent to the adoption of a recommendation for appropriations for community colleges for the fiscal year ending September 30, 2009, to increase appropriations to state-supported 4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 2009, will be accompanied by a similar action or proposal for state-supported community colleges.

Sec. 241. (1) It is the intent of the legislature that community colleges expand their current nursing education programs and increase nursing education program enrollments. This expansion may include, but is not limited to, creating partnerships with hospitals and other health care providers, expanding the focus and utilization of the nursing scholarship program, and redirecting existing institutional resources toward nursing education programs.

(2) Community college nursing programs are part of a comprehensive solution to Michigan's nursing shortage. Community college students are eligible to apply for financial assistance through the Michigan nursing scholarship program established in the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189. The Michigan nursing corps grants described in section 431 of 2007 PA 118 and administered by the department of labor and economic growth provide funding to address the shortage of qualified nursing faculty. Community colleges are encouraged to coordinate with the chief nurse executive in the department of community health and with 4-year universities to improve access to nursing programs and to assist students to successfully enter the nursing workforce.

Sec. 242. It is the intent of the legislature that the Michigan community college association, the legislature, and other interested parties continue the discussion regarding payments in lieu of taxes, especially for those community college districts that contain significant portions of nontaxable land.

Sec. 243. It is the intent of the legislature to develop and enact legislation that would authorize community colleges to issue debt to fund customized workforce development training. This program would be known as the Michigan new jobs training program. The principal and interest payments on any debt issued under the program would be paid by capturing the incremental increase in the state income tax associated with the wages of new employees and redirecting it to the community college instead of the state. The program would offer an incentive for employers creating new jobs or expanding operations in Michigan. This program has the potential to be a cornerstone of Michigan's workforce and economic development efforts, with the state's community colleges collaboratively partnering with state and local economic development, the Michigan works agencies, and the private sector to implement unified strategies for regional growth.

Sec. 246. It is the intent of the legislature that a workgroup be formed including representatives of community colleges, state universities, and the health care community to address and resolve the nursing shortage in the state of Michigan. The workgroup shall submit a report to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the department of management and budget no later than December 31, 2008.

Sec. 247. Funds appropriated in part 1 shall not be used for the purchase of foreign automobiles if competitively priced and of comparable quality automobiles made in the state of Michigan or elsewhere in the United States of America are available.

#### **STATE AID - OPERATIONS**

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, which shall be the basis for reporting data, and the Activities Classification Structure Manual for Michigan Community Colleges, as amended, which shall be used to document financial needs of the community colleges.

Sec. 302. A community college shall not include in the enrollment data reported for determining state aid under this act any student credit hours or student contact hours for a student incarcerated in a Michigan penal institution. Exclusion of these students is intended to avoid the payment of state aid under this act for the same individuals for whom reimbursement is provided by the state correctional system.

Sec. 304. (1) The appropriations in part 1 for community college operations include an aggregate 2% increase distributed pursuant to the funding formula developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154.

(2) It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years. Specifically, it is the intent of the legislature that the performance indicators task force review and implement 1 or more measurable data items for the local strategic value indicator and review and implement 1 or more measurable data items for an administrative cost formula component.

#### **GRANTS**

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of labor and economic growth pursuant to the Activities Classification Structure Manual for Michigan Community Colleges, as amended. Of the amount appropriated in part 1 for the at-risk student success program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges.

(2) Of the amount appropriated in part 1 for the at-risk student success program, the balance of the appropriated money shall be distributed on a proration utilizing the sum of the most recent 3 years developmental/preparatory contact hours divided by the sum of the 3-year total contact hours at each college. Each community college’s percentage shall be divided by the sum of all the percentages systemwide to obtain each community college’s prorated grant amount.

(3) For the fiscal year ending September 30, 2009, the at-risk student success program money is allocated as follows:

Alpena Community College .....	\$ 80,200
Bay de Noc Community College.....	62,800
Delta College.....	104,500
Glen Oaks Community College.....	112,500
Gogebic Community College .....	58,600
Grand Rapids Community College.....	132,300
Henry Ford Community College .....	161,900
Jackson Community College .....	120,900
Kalamazoo Valley Community College.....	92,000
Kellogg Community College .....	163,600
Kirtland Community College .....	125,400
Lake Michigan College .....	157,200
Lansing Community College.....	153,500
Macomb Community College.....	84,400
Mid Michigan Community College.....	141,400
Monroe County Community College .....	105,400
Montcalm Community College .....	75,000
C.S. Mott Community College.....	106,300
Muskegon Community College .....	78,700
North Central Michigan College .....	111,100
Northwestern Michigan College.....	122,400
Oakland Community College .....	148,900
St. Clair County Community College .....	124,800
Schoolcraft College .....	127,300
Southwestern Michigan College.....	150,700
Washtenaw Community College.....	140,300
Wayne County Community College .....	132,600
West Shore Community College .....	148,000

(4) As used in this act, “at-risk students” means students who meet 1 or more of the following criteria:

(a) Are initially placed in 1 or more developmental courses as a result of standardized testing or as a result of failure to make satisfactory academic progress.

(b) Are diagnosed as learning disabled.

(c) Require English as a second language (ESL) assistance.

(5) Grant funding under this section shall be utilized to address the special needs of at-risk students. Activities related to services provided to at-risk students include, but are not limited to, pretesting for academic ability, counseling contacts, and special programs. Equipment or information technology hardware or software purchased under this section must be associated with the operation of a program designed to address the needs of at-risk students.

(6) Grant funding under this section shall not be used for indirect costs including, but not limited to, rent, utilities, or, except as provided in this section, college administration.

(7) Each community college shall report to the department of labor and economic growth a summary of all accomplishments under, expenditures for, and compliance with the intent of this program, including the number of at-risk students served. The report is subject to audit as provided for in section 502(1). The report shall be submitted not later than 90 days after the end of the state’s fiscal year.

Sec. 404. The appropriation in part 1 for renaissance zone reimbursements shall be made to each eligible recipient no later than 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 due each eligible recipient under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

**REPORTS AND AUDITS**

Sec. 501. The department of labor and economic growth shall publish the activities classification structure data book for Michigan community colleges on or before March 1, 2009.

Sec. 502. (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) Not more than 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 department of labor and economic growth, 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. 504. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

(2) Contracts between the community college and agencies that reimburse the community college for the costs of instruction shall be retained for audit purposes.

Sec. 505. 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 department of labor and economic growth, and the state budget director before November 15, 2008. 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.

Sec. 506. (1) Each community college shall report the following to the department of labor and economic growth no later than November 1, 2008:

(a) The number of North American Indian students enrolled each term for the previous fiscal year, using guidelines and procedures developed by the department of labor and economic growth and the Michigan commission on Indian affairs.

(b) The number of North American Indian tuition waivers granted each term, and the monetary value of the waivers for the previous fiscal year.

(2) Colleges shall use the criteria cited in 1976 PA 174, MCL 390.1251 to 390.1253, to determine eligibility for tuition waivers, and shall grant those waivers to individuals who meet the criteria and request tuition waivers.

(3) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2009.

Sec. 507. Upon request, a community college shall inform interested Michigan high schools of the aggregate academic status of its students for the prior academic year, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals.

Sec. 508. (1) Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth by August 31, 2008, 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 2008-2009 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 2008-2009 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 department of labor and economic growth within 15 days of being adopted.

(2) The department of labor and economic growth shall prepare and provide to community colleges a standard format for reporting tuition and fees pursuant to subsection (1).

Sec. 509. (1) Each community college shall report to the department of labor and economic growth 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, 2008.

(2) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2009.

Sec. 510. A community college receiving funding under this act and also subject to the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, shall make a copy of all material prepared in accordance with the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2384, available in hard copy and electronic format accessible through the Internet for school districts, parents, and students.

Sec. 511. (1) At least 30 days before submission of a new state plan to the United States department of education for approval under the Perkins act, the department of labor and economic growth shall provide copies of the proposed plan to

the members of the senate and house appropriations subcommittees on community colleges for their review and comment. Copies of the proposed plan shall be provided to the senate and house fiscal agencies and the state budget director at the same time that they are provided to the senate and house subcommittees.

(2) The Perkins grant application process and content shall be streamlined to the extent possible.

(3) As used in this section, "Perkins act" means the Carl D. Perkins vocational and applied technology education act of 1998, 20 USC 2301 to 2415.

Sec. 513. The department of treasury shall annually collect and compile data on the tax revenue losses to community colleges resulting from tax increment financing authorities (TIFA) and tax abatements. The department of treasury shall produce a report detailing the data. The report shall be completed and presented to the house and senate appropriations subcommittees on community colleges, the department of labor and economic growth, and the department of management and budget not later than March 1, 2009. The report shall include, but is not limited to, the following:

- (a) Estimated revenue losses for each community college for the calendar year 2008.
- (b) Confirmed revenue losses for each community college for the calendar years 2006 and 2007.
- (c) Other requirements requested by the house and senate appropriations subcommittees on community colleges.

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Bill Hardiman  
 Valde Garcia  
 Irma Clark-Coleman  
 Conferees for the Senate

Michael Sak  
 Joan Bauer  
 Darwin Booher  
 Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,  
 Senator Cropsey moved that the rule be suspended.

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

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. 469**

**Yeas—36**

Allen	Cherry	Hunter	Patterson
Anderson	Clark-Coleman	Jacobs	Richardville
Barcia	Clarke	Jansen	Sanborn
Basham	Cropsey	Jelinek	Schauer
Birkholz	Garcia	Kahn	Scott
Bishop	George	Kuipers	Stamas
Brater	Gilbert	McManus	Switalski
Brown	Gleason	Olshove	Thomas
Cassia	Hardiman	Pappageorge	Van Woerkom

**Nays—1**

Prusi

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

Senator Jelinek submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 1096, entitled**

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agency.

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 make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agency.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. There is appropriated for the department of education and certain state purposes related to education as set forth in this act for the fiscal year ending September 30, 2009, from the following funds:

**DEPARTMENT OF EDUCATION**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	482.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 95,143,100</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 95,143,100</b>
Federal revenues:		
Federal revenues .....	70,598,500	
Total federal revenues.....	70,598,500	
Special revenue funds:		
Local cost sharing (schools for blind/deaf).....	6,618,100	
Local school district service fees .....	306,500	
Total local revenues .....	6,924,600	
Gifts, bequests, and donations.....	650,600	
Private foundations .....	2,437,200	
Total private revenues.....	3,087,800	
Total local and private revenues .....	10,012,400	
Certification fees .....	5,702,300	
Commodity distribution fees .....	71,700	
Student insurance revenue .....	218,600	
Teacher college review fees.....	54,000	
Teacher testing fees .....	523,200	
Tenant rent.....	261,000	
Training and orientation workshop fees .....	150,000	
Total other state restricted revenues .....	6,980,800	
State general fund/general purpose .....		<b>\$ 7,551,400</b>

For Fiscal Year  
Ending Sept. 30,  
2009

**Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	16.0	
State board of education, per diem payments .....		\$ 24,400
Unclassified positions—6.0 FTE positions .....		515,600
State board/superintendent operations—16.0 FTE positions.....		3,065,600
<b>GROSS APPROPRIATION</b> .....		<u>\$ 3,605,600</u>
Appropriated from:		
Federal revenues:		
Federal revenues .....		1,999,100
Special revenue funds:		
Private foundations .....		27,100
Certification fees .....		202,100
State general fund/general purpose .....		\$ 1,377,300

**Sec. 103. CENTRAL SUPPORT**

Full-time equated classified positions .....	16.6	
Central support—16.6 FTE positions .....		\$ 3,215,100
Worker’s compensation.....		48,000
Building occupancy charges - property management services.....		1,574,900
Internal audit services operations .....		100,000
Tenant rent.....		261,000
Training and orientation workshops .....		150,000
Terminal leave payments .....		574,700
<b>GROSS APPROPRIATION</b> .....		<u>\$ 5,923,700</u>
Appropriated from:		
Federal revenues:		
Federal revenues .....		3,598,500
Special revenue funds:		
Local cost sharing (schools for blind/deaf).....		68,400
Certification fees .....		340,000
Teacher testing fees .....		13,500
Tenant rent.....		261,000
Training and orientation workshop fees .....		150,000
State general fund/general purpose .....		\$ 1,492,300

**Sec. 104. INFORMATION TECHNOLOGY SERVICES**

Information technology operations.....		\$ 2,820,900
<b>GROSS APPROPRIATION</b> .....		<u>\$ 2,820,900</u>
Appropriated from:		
Federal revenues:		
Federal revenues .....		1,762,400
Special revenue funds:		
Local cost sharing (schools for blind/deaf).....		141,900
Certification fees .....		245,000
State general fund/general purpose .....		\$ 671,600

**Sec. 105. SPECIAL EDUCATION SERVICES**

Full-time equated classified positions .....	47.0	
Special education operations—47.0 FTE positions.....		\$ 11,446,800
<b>GROSS APPROPRIATION</b> .....		<u>\$ 11,446,800</u>
Appropriated from:		
Federal revenues:		
Federal revenues .....		10,993,400
Special revenue funds:		
Private foundations .....		105,000
Certification fees .....		38,500
State general fund/general purpose .....		\$ 309,900

For Fiscal Year  
Ending Sept. 30,  
2009

**Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

Full-time equated classified positions .....	109.0	
Michigan schools for the deaf and blind operations—108.0 FTE positions .....		\$ 12,931,000
Camp Tuhsmeheeta—1.0 FTE position .....		295,100
Private gifts - blind.....		90,000
Private gifts - deaf.....		250,000
GROSS APPROPRIATION .....		\$ 13,566,100
Appropriated from:		
Federal revenues:		
Federal revenues .....		5,993,500
Special revenue funds:		
Local cost sharing (schools for blind/deaf).....		6,407,800
Local school district service fees .....		295,600
Gifts, bequests, and donations.....		650,600
Student insurance revenue .....		218,600
State general fund/general purpose .....		\$ 0

**Sec. 107. PROFESSIONAL PREPARATION SERVICES**

Full-time equated classified positions .....	30.5	
Professional preparation operations—30.5 FTE positions .....		\$ 6,819,900
National board certification.....		100,000
Department of attorney general.....		50,000
GROSS APPROPRIATION .....		\$ 6,969,900
Appropriated from:		
Federal revenues:		
Federal revenues .....		2,652,700
Special revenue funds:		
Certification fees .....		3,753,500
Teacher testing fees .....		509,700
Teacher college review fees.....		54,000
State general fund/general purpose .....		\$ 0

**Sec. 108. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES**

Full-time equated classified positions .....	26.0	
Early childhood education and family services operations—26.0 FTE positions.....		\$ 4,480,400
GROSS APPROPRIATION .....		\$ 4,480,400
Appropriated from:		
Federal revenues:		
Federal revenues .....		3,259,200
Special revenue funds:		
Private foundations .....		191,900
Certification fees .....		58,700
State general fund/general purpose .....		\$ 970,600

**Sec. 109. SCHOOL IMPROVEMENT SERVICES**

Full-time equated classified positions .....	83.0	
School improvement operations—83.0 FTE positions .....		\$ 18,031,200
Subject area content expectations and guidelines .....		100,000
GROSS APPROPRIATION .....		\$ 18,131,200
Appropriated from:		
Federal revenues:		
Federal revenues .....		15,951,600
Special revenue funds:		
Private foundations .....		1,113,200
Certification fees .....		533,800
State general fund/general purpose .....		\$ 532,600

**Sec. 110. SCHOOL FINANCE AND SCHOOL LAW SERVICES**

Full-time equated classified positions .....	20.5	
School finance and school law operations—20.5 FTE positions .....		\$ 3,035,300
GROSS APPROPRIATION .....		\$ 3,035,300



	For Fiscal Year Ending Sept. 30, 2009
Appropriated from:	
Federal revenues:	
Federal revenues .....	\$ 1,432,100
Special revenue funds:	
Certification fees .....	530,700
State general fund/general purpose .....	\$ 1,072,500
<b>Sec. 111. EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY</b>	
Full-time equated classified positions .....	45.6
Educational assessment operations—45.6 FTE positions .....	\$ 9,409,700
GROSS APPROPRIATION .....	\$ 9,409,700
Appropriated from:	
Federal revenues:	
Federal revenues .....	9,409,700
State general fund/general purpose .....	\$ 0
<b>Sec. 112. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES</b>	
Full-time equated classified positions .....	56.6
Grants administration and school support services operations—56.6 FTE positions .....	\$ 7,988,500
Federal and private grants .....	3,000,000
GROSS APPROPRIATION .....	\$ 10,988,500
Appropriated from:	
Federal revenues:	
Federal revenues .....	9,472,200
Special revenue funds:	
Local school district service fees .....	10,900
Private foundations .....	1,000,000
Commodity distribution fees .....	71,700
State general fund/general purpose .....	\$ 433,700
<b>Sec. 113. EDUCATIONAL TECHNOLOGY AND DATA COORDINATION</b>	
Full-time equated classified positions .....	6.7
Educational technology and data coordination—6.7 FTE positions .....	\$ 803,600
GROSS APPROPRIATION .....	\$ 803,600
Appropriated from:	
Federal revenues:	
Federal revenues .....	803,600
State general fund/general purpose .....	\$ 0
<b>Sec. 114. CAREER AND TECHNICAL EDUCATION</b>	
Full-time equated classified positions .....	25.0
Career and technical education operations—25.0 FTE positions .....	\$ 3,961,400
GROSS APPROPRIATION .....	\$ 3,961,400
Appropriated from:	
Federal revenues:	
Federal revenues .....	3,270,500
State general fund/general purpose .....	\$ 690,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**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 appropriation act for the fiscal year ending September 30, 2009 is \$14,532,200.00 and state appropriations paid to local units of government are \$0.

Sec. 202. The appropriations made and expenditures authorized under this act and the departments, commissions, boards, offices, and programs for which appropriations are made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this act:

- (a) "Department" means the Michigan department of education.
- (b) "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.
- (c) "FTE" means full-time equated.

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

Sec. 205. The department shall use the Internet to fulfill the reporting requirements of this act. 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. 206. 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. 207. (1) Upon receipt of the federal drug-free grant, the department shall allocate \$225,000.00 of the grant to the safe school program within the department. The safe school program shall work with local school boards, parents of enrolled students, law enforcement agencies, community leaders, and the office of drug control policy for the prevention of school violence. The safe school program shall develop and implement, and serve as coordinator of, a statewide clearinghouse for information, program development, model programs and policies, and technical assistance on school violence prevention.

(2) To accomplish its functions under this section, the safe school program shall do all of the following:

(a) Coordinate with the office of drug control policy in the department of community health to ensure that there is a meaningful linkage between the efforts under this act to provide safe schools and the initiatives undertaken through that office, including, but not limited to, school districts' safe and drug-free school plans, and to facilitate timely applications for and distribution of available grant money.

(b) Provide through the Internet the availability to access, and provide through the Internet information regarding, the state model policy on locker searches, the state model policy on firearm safety and awareness, and any other state or local safety policies that the office considers exemplary.

(c) Advance, promote, and encourage the awareness and use of the state police anti-violence hotline.

Sec. 208. The department shall require all public school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the local school 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. 209. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and the department of information technology.

Sec. 210. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 211. 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. 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.

Sec. 212. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and 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, manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

Sec. 213. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, 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 chairs and members of 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 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. 215. 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 the 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.

Sec. 216. 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. 217. 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. 219. (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 this act 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 this act 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 this act 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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 220. 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.

Sec. 221. 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. 222. (1) The department shall report no later than April 1, 2009 on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year. The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt 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.

(3) 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.

#### **STATE BOARD/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.

(3) The state board executive shall report to the public, the senate and house fiscal agencies, and the state budget director the previous quarter's expenses by fund source for members of the state board of education.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than \$35,000.00 shall be expended for in-state travel and out-of-state travel directly related to the duties of the state board of education.

#### **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 shall be 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. 404. (1) The department may assess rent or lease excess property located on the campus of the Michigan schools for the deaf and blind in Flint to private or publicly funded organizations.

(2) In addition to those funds appropriated in part 1, the department may receive and expend additional funds from lease agreements at the Michigan schools for the deaf and blind Flint campus that have been negotiated with the approval of the department of management and budget. These funds are appropriated to the department for the operation, maintenance, and renovation expenses associated with the leased space.

(3) From the unexpended balances of appropriations for the schools for the deaf and blind operations, up to \$250,000.00 of any unexpended and unencumbered funds remaining on September 30, 2009 may be carried forward as a work project and expended for special maintenance and repairs of facilities at the campus of the Michigan schools for the deaf and blind in Flint. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$250,000.00. The estimated completion date of the work is September 30, 2010.

(4) From the tenant rent appropriation for Fay hall, up to \$100,000.00 of any unexpended and unencumbered funds remaining on September 30, 2009 may be carried forward as a work project or as restricted revenue and expended for special maintenance and repairs of facilities at Fay hall. The work project may be performed by state employees, or by contract when necessary, at an estimated cost of \$100,000.00. The estimated completion date of the work project is September 30, 2010.

Sec. 405. The department may assist the department of community health, 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 community health for reimbursement.

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.

#### **PROFESSIONAL PREPARATION SERVICES**

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

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. (1) Of the funds appropriated in part 1 for professional preparation operations, \$100,000.00 shall be allocated to Central Michigan University for the alternative route to certification program. Of the funds appropriated in part 1 for professional preparation operations, \$100,000.00 shall be allocated to Wayne State University for the pathways to teaching program. Not later than March 1, 2009, the department shall provide the senate and house appropriations committees, the state budget director, and senate and house fiscal agencies with a report including all of the following:

- (a) How many teachers were certified under the programs.
- (b) How long participating teachers served in the classroom.
- (c) A comparison of teacher evaluations of participating teachers and teachers with traditional teacher certifications.

(2) The department will work with Central Michigan University and Wayne State University to review the report results to determine subsequent funding strategies.

Sec. 505. From the funds appropriated in part 1 for national board certification, the department shall pay 1/2 of the application fee for teachers who are considered by the department to be qualified to apply to the national board for professional teaching standards for professional teaching certificates or licenses and to provide grants to recognize and reward teachers who receive certification or licensure.

#### **OFFICE OF SCHOOL IMPROVEMENT**

Sec. 601. From the amount appropriated in part 1 for the office of school improvement, there is allocated \$350,000.00 and 3.5 FTE positions to operate a charter school office to administer charter school legislation and associated regulations, and to coordinate the activities of the department relating to charter schools.

Sec. 603. The funds appropriated in part 1 for subject area content expectations and guidelines shall be used for the development, approval, and implementation of subject area content expectations and guidelines that apply to the credit requirements of the Michigan merit standard, as required under section 1278b of the revised school code, 1976 PA 451, MCL 380.1278b.

#### **INFORMATION TECHNOLOGY**

Sec. 701. The department shall work in collaboration with the center for educational performance and information to support the comprehensive educational information system and all data collection efforts of the department.

#### **GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES**

Sec. 901. 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.

#### **EDUCATIONAL TECHNOLOGY AND DATA COORDINATION**

Sec. 950. The department shall work with the legislature to examine the feasibility of removing the barriers to operation of cyber schools that focus on special student populations such as dropouts or expelled students. Not later than December 31, 2008, the department shall prepare and submit to the appropriations subcommittees on education and K-12 school aid a report on these matters.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agency.

Ron Jelinek  
Cameron Brown  
Michael Switalski  
Conferees for the Senate

Matt Gillard  
George Cushingberry, Jr.  
Bruce Caswell  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,  
Senator Cropsey moved that the rule be suspended.

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

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. 470**

#### **Yeas—35**

Allen  
Anderson

Cherry  
Clark-Coleman

Jacobs  
Jansen

Richardville  
Sanborn

Barcia	Cropsey	Jelinek	Schauer
Basham	Garcia	Kahn	Scott
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	

**Nays—2**

Clarke	Prusi
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**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

**Protest**

Senator Clarke, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 1096 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 Clarke’s statement is as follows:

I will be voting against this bill. The conference report does not contain funding that this body did approve for a comprehensive performance audit of the Detroit Public Schools. This school system is currently in deficit, and the deficit is due to a lot of reasons: school funding has not kept up with school costs; the district has lost many thousands of students and the school aid funding along with it; but, most importantly, this district has had a history of widespread waste and inefficiency. This audit that I requested is a performance audit that would have identified the waste and recommended ways to correct that spending, which means that this audit would have helped us better leverage the dollars that we allocate to the Detroit Public Schools so that they are not wasted but invested directly into the classroom.

This body collectively appropriates \$1 billion a year out of school aid money to the Detroit Public Schools. We have an obligation to know where that money is spent and how it can be better spent to better educate and graduate Detroit students.

Some people say that because the school takeover was such a debacle, the state shouldn’t get involved in school district operations. I have asked for this performance audit not because I want a takeover again of the Detroit Public Schools, but to help remedy the harm caused by the state takeover of the Detroit Public Schools. I also realize that we are in lean economic times, but we cannot afford not to have a comprehensive performance audit of Detroit Public Schools because we need to make sure, as a Legislature, that the money that we appropriate—and again, \$1 billion a year to Detroit Public Schools—we need to make sure that money is not wasted but is spent as wisely as possible in the classroom to better educate and graduate Detroit Public Schools’ students.

Because the funding for this performance audit is not in this budget, and because I believe it is sorely needed to correct the waste and mispending of dollars in Detroit Public Schools, especially dollars paid by hard-earned struggling Detroit taxpayers, I will oppose this budget and this conference report committee recommendation.

Senator Stamas submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 1099, entitled**

A bill to make appropriations for certain state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2009; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Recommends:

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

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2009; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

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

ARTICLE 1

SUMMARY AND GENERAL PROVISIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this act are appropriated for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2009, from the funds indicated in this act. The following is a summary of the appropriations in this act:

**HIGHER EDUCATION**

APPROPRIATION SUMMARY:

Full-time equated classified positions .....	1.0	
GROSS APPROPRIATION .....		\$ 1,769,105,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....		\$ 1,769,105,200
Federal revenues:		
Total federal revenues.....		7,400,000
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		116,100,000
State general fund/general purpose .....		\$ 1,645,605,200

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under this act for fiscal year 2008-2009 is \$1,761,705,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to local units of government will occur:

Part-time independent student program.....	\$ 1,255,700
Michigan education opportunity grants .....	932,900
Michigan work-study.....	1,570,500
TOTAL.....	\$ 3,759,100

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

ARTICLE 2

RESEARCH UNIVERSITIES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for research universities for the fiscal year ending September 30, 2009, from the funds indicated in this part.

**Sec. 102. MICHIGAN STATE UNIVERSITY**

Operations.....	\$ 293,041,200
Agricultural experiment station.....	34,336,200
Cooperative extension service .....	29,615,500
GROSS APPROPRIATION .....	\$ 356,992,900
Appropriated from:	
State general fund/general purpose .....	\$ 356,992,900

	For Fiscal Year Ending Sept. 30, 2009
<b>Sec. 103. UNIVERSITY OF MICHIGAN - ANN ARBOR</b>	
Operations.....	\$ 326,674,300
GROSS APPROPRIATION .....	\$ 326,674,300
Appropriated from:	
State general fund/general purpose .....	\$ 326,674,300
<b>Sec. 104. WAYNE STATE UNIVERSITY</b>	
Operations.....	\$ 221,237,000
GROSS APPROPRIATION .....	\$ 221,237,000
Appropriated from:	
State general fund/general purpose .....	\$ 221,237,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 203. As used in this act, “research university” means a public university classified as a “research university (very high research activity)” under the 2005 classification of institutions of higher education conducted by the Carnegie foundation for the advancement of teaching.

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. 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 and services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value. 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. It is the intent of the legislature that the funds appropriated in part 1 to state institutions of higher education shall not be used to enter into a lease or to purchase a vehicle assembled or manufactured outside of the United States, and that preference be given to vehicles assembled or manufactured in Michigan.

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education 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, 2008. Except for Wayne State University, each institution shall accrue its July and August 2009 payments to its institutional fiscal year ending June 30, 2009.

(2) All 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 universities with fiscal years ending June 30, 2008, these data shall be submitted to the state budget director by October 15, 2008. Universities with a fiscal year ending September 30, 2008 shall submit preliminary HEIDI data by November 15, 2008 and final data by December 15, 2008. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

(3) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Sec. 213. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a state institution of higher education that receives funds under this act notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.

Sec. 215. A state institution of higher education that receives funds under this act shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

Sec. 216. By December 31, 2008, state universities receiving funds in part 1 shall submit a report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget



director regarding steps that have been taken toward and challenges associated with development of student-level data that could be submitted to the center for educational performance and information established in section 94a of the state school aid act of 1979, 1979 PA 94, MCL 388.1694a, to develop a comprehensive preschool through postsecondary student data system that will allow analysis of student-level educational data to ensure that Michigan's education and training systems are preparing students for success in their adult careers.

Sec. 217. It is the intent of the legislature that the governing board of each state university examine university operations for potential conflicts of interest.

#### **UNIVERSITY OPERATIONS**

Sec. 402. The University of Michigan biological station at Douglas Lake in Cheboygan County is regarded as a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

Sec. 426. (1) It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

(2) It is the intent of the legislature that each state university that provides for the use of funds in a university-administered account or financial aid for the purchase of required textbooks and supplies at bookstores operated by or affiliated with the university also provide for the use of funds in a university-administered account or financial aid at bookstores providing required textbooks or supplies that are not operated by or affiliated with the university. A state university may require bookstores not operated by or affiliated with the university to reimburse the university for any reasonable costs attributable to these transactions and to pay a reasonable rate or commission to the university.

Sec. 433. (1) Included in part 1 is \$2,982,900.00 for the agricultural experiment station and \$2,645,200.00 for the cooperative extension service for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

(2) The department of agriculture and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop project GREEN and its program priorities.

(3) Not later than September 30, 2009, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding fiscal year regarding project GREEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

Sec. 434. Included in the appropriation in part 1 for Michigan State University is \$80,000.00 for the Michigan future farmers of America association. This \$80,000.00 appropriation shall not supplant any existing support that Michigan State University provides to the Michigan future farmers of America association.

Sec. 436. It is the intent of the legislature that if any state university increases its resident undergraduate tuition and required fees from academic year 2007-2008 to academic year 2008-2009, then that university shall increase its fiscal year 2008-2009 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each state university shall report its proposed fiscal year 2008-2009 general fund expenditures for student financial aid compared to its projected fiscal year 2007-2008 general fund expenditures for student financial aid, and its projected academic year 2008-2009 resident undergraduate tuition and required fee changes from academic year 2007-2008, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2008.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2008-2009 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2008. A university shall report any revisions for any semester of the reported academic year 2008-2009 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 451. For the fiscal year ending September 30, 2009, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by state universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund/general purpose unreserved balances at the close of the 2007-2008 fiscal year.

Sec. 462. It is the intent of the legislature that each state university receiving an appropriation in part 1 consider developing an education program on recognizing depression and mental health disorders and preventing suicide and violence and providing that program annually to students, beginning with any freshman orientation.

Sec. 463. Not later than February 1, 2009, each of the state universities receiving appropriations in part 1 shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on the number of residents from an eligible county enrolled at the university and the quantifiable increase from the 2007-2008 academic year to the 2008-2009 academic year in outreach efforts to enroll students at the

university from an eligible county. As used in this section, "eligible county" means a county in this state that meets both of the following:

(a) Has a population of not less than 700,000 and not more than 1,000,000 according to the most recent federal decennial census.

(b) Does not contain the main campus of a 4-year public university within its boundaries.

Sec. 464. Each state university receiving an appropriation in part 1 shall submit a plan by January 15, 2009 to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies on its process to inform both the private and public sectors regarding research and technology that could be developed commercially. If a state university does not submit its plan by January 15, 2009, then that state university will not be eligible to receive an allocation from the technology commercialization incentive fund when it is established.

Sec. 466. State universities shall coordinate their purchases of goods and services whenever possible. This may include, but is not limited to, group purchases for vehicles, utilities, supplies, electronic equipment, maintenance equipment, books, and contractual services. To the extent possible, the state universities shall use both the "Michigan delivering extended agreements locally" (MiDEAL) purchasing services of the state department of management and budget that makes state contracts available to local units of government, colleges, and universities and the purchasing services available through the state's membership in the Midwestern Higher Education Compact (MHEC). Not later than January 1 of each year, the presidents council, state universities of Michigan shall submit to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director a report on group or pooled purchases and the savings achieved by the state universities in the previous fiscal year.

Sec. 467. It is the intent of the legislature to establish performance standards for the research universities receiving appropriations in part 1.

Sec. 469. By November 14, 2008, each university receiving an appropriation in part 1 shall report the number of students who graduated in academic year 2007-2008 and received a Pell grant at any time during their enrollment at that university to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

Sec. 471. (1) It is the intent of the legislature that each state university receiving an appropriation in part 1 limit any changes to the general requirements or credits needed for a student to graduate from a degree program while that student is enrolled in that program.

(2) It is the intent of the legislature that each state university receiving an appropriation in part 1, to the extent possible, provide sufficient counseling to students to facilitate the timely graduation of those students.

Sec. 472. It is the intent of the legislature that if a state university receiving an appropriation in part 1 raised its undergraduate resident tuition for the 2007-2008 academic year based on the assumption that it would not receive the August 2007 appropriation payment delayed pursuant to Executive Order No. 2007-3 and 2007 PA 17, the state university shall rebate to students any amount of the tuition increase that was based on that assumption.

#### **MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**

Sec. 501. (1) Included in the appropriation for each state university in part 1 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 state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth. The Michigan department of labor and economic growth shall use a good faith effort standard to evaluate whether a fellowship is in default.

Sec. 502. (1) Included in the appropriation for each state university in part 1 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. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each state university shall include a budget of equal contributions from this program, the participating state 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 state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth.

Sec. 505. (1) Included in the appropriation for each state university in part 1 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. Institutions 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 Michigan department of labor and economic growth.

#### **STUDENT PERFORMANCE REPORTING**

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state 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 in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state 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.

Sec. 602. From the amount appropriated in part 1 for state universities, the state 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 in cooperation with the Michigan community college association.

Sec. 603. State universities shall work with the state community colleges to encourage the transfer of students from the community colleges to the state universities and to facilitate the transfer of credits from the community colleges to the state universities.

#### **GENERAL REPORTS AND AUDITS**

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all state universities and may perform audits of selected state universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2009.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not eligible for the institution's in-state main campus resident tuition rate. However, in instances where a student is enrolled in distance education and non-distance education credit hours in a given term and the student's non-distance education enrollment is at a campus or site located within Michigan, student credit hours per the student's eligibility for in-state or out-of-state tuition rates may be reported.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

(i) Represent new options, fields, or concentrations within existing programs.

(ii) Are consistent with the current institutional role and mission.

(iii) Are accommodated within the continuing funding base of the institution.

(iv) Do not require a new degree level beyond that which the institution is currently authorized to grant within that discipline or field.

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

(3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the state universities for compliance with the definitions approved by the HEIDI advisory committee for the HEIDI database.

(4) "Distance learning instruction" as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the Internet, cable television, teleconference, or mail.

Sec. 701a. (1) Pursuant to section 701(2)(e), the institutions of higher education receiving appropriations in part 1 may establish the following degree programs:

(a) Bachelor's degree programs:

University of Michigan - Ann Arbor, Concentration in Informatics, B.A./B.S.

University of Michigan - Ann Arbor, Concentration in Polish, B.A./B.S.

University of Michigan - Ann Arbor, Joint Bachelor of Fine Arts Degree Program, B.F.A.

Wayne State University, Biochemistry and Chemical Biology, B.S.

Wayne State University, Biomedical Physics, B.S.  
 Wayne State University, Urban Studies, B.A.

(b) Master’s degree programs:

Michigan State University, Public Health, M.P.H.  
 University of Michigan - Ann Arbor, M.B.A./M.P.H. Dual-Degree, M.B.A./M.P.H.  
 Wayne State University, Joint Degree: M.Ed. in Social Studies, M.A. in History, M.A./M.Ed.  
 Wayne State University, Marriage and Family Psychology, M.A.  
 Wayne State University, Radiologist and Assistant Studies, M.S.

(c) Doctoral degree programs:

Wayne State University, Doctor of Nursing Practice, D.N.P.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for purposes of section 701(2)(e) in fiscal years after 2008-2009, the presidents council of state universities shall also provide a listing of degree programs that these institutions of higher education will no longer offer in subsequent academic years.

Sec. 702. The principal executive officer of each institution of higher education receiving an appropriation under this act shall expend a portion of the funds appropriated to that institution to make a report to the auditor general, the house and senate fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The institution’s report shall specify all of the following:

(a) The recommendations of the auditor general implemented by the institution, including projected dates and resources required, if any, to achieve compliance.

(b) The recommendations of the auditor general not implemented by the institution or implemented by the institution as modified.

(c) The rationale for not implementing a recommendation of the auditor general or of implementing a recommendation as modified.

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2009 as the auditor general considers necessary.

Sec. 709. An institution of higher education receiving funds under this act and also subject to the student right-to-know and campus security act, Public Law 101-522, 104 Stat. 2381, shall make a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

Sec. 714. An institution receiving funds under this act and also subject to the family educational rights and privacy act (FERPA), 20 USC section 1232g, 34 CFR part 99, shall, when requested, provide information from the records of a student to any person or persons to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

ARTICLE 3  
 STATE UNIVERSITIES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for state universities for the fiscal year ending September 30, 2009, from the funds indicated in this part.

**Sec. 102. CENTRAL MICHIGAN UNIVERSITY**

Operations.....	\$ 82,760,500
GROSS APPROPRIATION .....	\$ 82,760,500
Appropriated from:	
State general fund/general purpose .....	\$ 82,760,500

**Sec. 103. EASTERN MICHIGAN UNIVERSITY**

Operations.....	\$ 78,551,800
GROSS APPROPRIATION .....	\$ 78,551,800
Appropriated from:	
State general fund/general purpose .....	\$ 78,551,800

**Sec. 104. FERRIS STATE UNIVERSITY**

Operations.....	\$ 50,228,100
GROSS APPROPRIATION .....	\$ 50,228,100
Appropriated from:	
State general fund/general purpose .....	\$ 50,228,100

**Sec. 105. GRAND VALLEY STATE UNIVERSITY**

Operations.....	\$ 64,021,400
GROSS APPROPRIATION .....	\$ 64,021,400

	For Fiscal Year Ending Sept. 30, 2009
Appropriated from:	
State general fund/general purpose .....	\$ 64,021,400
<b>Sec. 106. LAKE SUPERIOR STATE UNIVERSITY</b>	
Operations.....	\$ 13,111,700
GROSS APPROPRIATION .....	\$ 13,111,700
Appropriated from:	
State general fund/general purpose .....	\$ 13,111,700
<b>Sec. 107. MICHIGAN TECHNOLOGICAL UNIVERSITY</b>	
Operations.....	\$ 49,518,500
GROSS APPROPRIATION .....	\$ 49,518,500
Appropriated from:	
State general fund/general purpose .....	\$ 49,518,500
<b>Sec. 108. NORTHERN MICHIGAN UNIVERSITY</b>	
Operations.....	\$ 46,633,200
GROSS APPROPRIATION .....	\$ 46,633,200
Appropriated from:	
State general fund/general purpose .....	\$ 46,633,200
<b>Sec. 109. OAKLAND UNIVERSITY</b>	
Operations.....	\$ 52,452,200
GROSS APPROPRIATION .....	\$ 52,452,200
Appropriated from:	
State general fund/general purpose .....	\$ 52,452,200
<b>Sec. 110. SAGINAW VALLEY STATE UNIVERSITY</b>	
Operations.....	\$ 28,639,800
GROSS APPROPRIATION .....	\$ 28,639,800
Appropriated from:	
State general fund/general purpose .....	\$ 28,639,800
<b>Sec. 111. UNIVERSITY OF MICHIGAN - DEARBORN</b>	
Operations.....	\$ 25,548,000
GROSS APPROPRIATION .....	\$ 25,548,000
Appropriated from:	
State general fund/general purpose .....	\$ 25,548,000
<b>Sec. 112. UNIVERSITY OF MICHIGAN - FLINT</b>	
Operations.....	\$ 21,593,700
GROSS APPROPRIATION .....	\$ 21,593,700
Appropriated from:	
State general fund/general purpose .....	\$ 21,593,700
<b>Sec. 113. WESTERN MICHIGAN UNIVERSITY</b>	
Operations.....	\$ 113,243,200
GROSS APPROPRIATION .....	\$ 113,243,200
Appropriated from:	
State general fund/general purpose .....	\$ 113,243,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. 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 and services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value. 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. It is the intent of the legislature that the funds appropriated in part 1 to state institutions of higher education shall not be used to enter into a lease or to purchase a vehicle assembled or manufactured outside of the United States, and that preference be given to vehicles assembled or manufactured in Michigan.

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education 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, 2008. Each institution shall accrue its July and August 2009 payments to its institutional fiscal year ending June 30, 2009.

(2) All 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 by October 15, 2008. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

(3) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Sec. 213. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a state institution of higher education that receives funds under this act notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.

Sec. 215. A state institution of higher education that receives funds under this act shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

Sec. 216. By December 31, 2008, state universities receiving funds in part 1 shall submit a report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding steps that have been taken toward and challenges associated with development of student-level data that could be submitted to the center for educational performance and information established in section 94a of the state school aid act of 1979, 1979 PA 94, MCL 388.1694a, to develop a comprehensive preschool through postsecondary student data system that will allow analysis of student-level educational data to ensure that Michigan's education and training systems are preparing students for success in their adult careers.

Sec. 217. It is the intent of the legislature that the governing board of each state university examine university operations for potential conflicts of interest.

#### **UNIVERSITY OPERATIONS**

Sec. 426. (1) It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

(2) It is the intent of the legislature that each state university that provides for the use of funds in a university-administered account or financial aid for the purchase of required textbooks and supplies at bookstores operated by or affiliated with the university also provide for the use of funds in a university-administered account or financial aid at bookstores providing required textbooks or supplies that are not operated by or affiliated with the university. A state university may require bookstores not operated by or affiliated with the university to reimburse the university for any reasonable costs attributable to these transactions and to pay a reasonable rate or commission to the university.

Sec. 436. It is the intent of the legislature that if any state university increases its resident undergraduate tuition and required fees from academic year 2007-2008 to academic year 2008-2009, then that university shall increase its fiscal year 2008-2009 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each state university shall report its proposed fiscal year 2008-2009 general fund expenditures for student financial aid compared to its projected fiscal year 2007-2008 general fund expenditures for student financial aid, and its projected academic year 2008-2009 resident undergraduate tuition and required fee changes from academic year 2007-2008, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2008.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2008-2009 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2008. A university shall report any revisions for any semester of the reported academic year 2008-2009 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 450. (1) For the fiscal year ending September 30, 2009, it is the intent of the legislature that an amount calculated under subsection (2) be allocated for per-student floor funding from the general fund/general purpose unreserved balances at the close of the 2007-2008 fiscal year.

(2) The amount allocated under subsection (1) for per-student floor funding is equal to \$3,775.00 per 2006-2007 fiscal-year-equated student at each university. The number of 2006-2007 students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

Sec. 451. For the fiscal year ending September 30, 2009, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by state universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund/general purpose unreserved balances at the close of the 2007-2008 fiscal year.

Sec. 461. From the amount appropriated in part 1 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. 462. It is the intent of the legislature that each state university receiving an appropriation in part 1 consider developing an education program on recognizing depression and mental health disorders and preventing suicide and violence and providing that program annually to students, beginning with any freshman orientation.

Sec. 463. Not later than February 1, 2009, each of the state universities receiving appropriations in part 1 shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on the number of residents from an eligible county enrolled at the university and the quantifiable increase from the 2007-2008 academic year to the 2008-2009 academic year in outreach efforts to enroll students at the university from an eligible county. As used in this section, "eligible county" means a county in this state that meets both of the following:

(a) Has a population of not less than 700,000 and not more than 1,000,000 according to the most recent federal decennial census.

(b) Does not contain the main campus of a 4-year public university within its boundaries.

Sec. 464. Each state university receiving an appropriation in part 1 shall submit a plan by January 15, 2009 to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies on its process to inform both the private and public sectors regarding research and technology that could be developed commercially. If a state university does not submit its plan by January 15, 2009, then that state university will not be eligible to receive an allocation from the technology commercialization incentive fund when it is established.

Sec. 466. State universities shall coordinate their purchases of goods and services whenever possible. This may include, but is not limited to, group purchases for vehicles, utilities, supplies, electronic equipment, maintenance equipment, books, and contractual services. To the extent possible, the state universities shall use both the "Michigan delivering extended agreements locally" (MiDEAL) purchasing services of the state department of management and budget that makes state contracts available to local units of government, colleges, and universities and the purchasing services available through the state's membership in the Midwestern Higher Education Compact (MHEC). Not later than January 1 of each year, the presidents council, state universities of Michigan shall submit to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director a report on group or pooled purchases and the savings achieved by the state universities in the previous fiscal year.

Sec. 467. It is the intent of the legislature to establish performance standards for the state universities receiving appropriations in part 1.

Sec. 469. By November 14, 2008, each university receiving an appropriation in part 1 shall report the number of students who graduated in academic year 2007-2008 and received a Pell grant at any time during their enrollment at that university to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

Sec. 471. (1) It is the intent of the legislature that each state university receiving an appropriation in part 1 limit any changes to the general requirements or credits needed for a student to graduate from a degree program while that student is enrolled in that program.

(2) It is the intent of the legislature that each state university receiving an appropriation in part 1, to the extent possible, provide sufficient counseling to students to facilitate the timely graduation of those students.

Sec. 472. It is the intent of the legislature that if a state university receiving an appropriation in part 1 raised its undergraduate resident tuition for the 2007-2008 academic year based on the assumption that it would not receive the August 2007 appropriation payment delayed pursuant to Executive Order No. 2007-3 and 2007 PA 17, the state university shall rebate to students any amount of the tuition increase that was based on that assumption.

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Sec. 501. (1) Included in the appropriation for each state university in part 1 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 state

university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth. The Michigan department of labor and economic growth shall use a good faith effort standard to evaluate whether a fellowship is in default.

Sec. 502. (1) Included in the appropriation for each state university in part 1 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. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each state university shall include a budget of equal contributions from this program, the participating state 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 state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth.

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(2) The program described in this section shall be administered by the Michigan department of labor and economic growth.

#### **STUDENT PERFORMANCE REPORTING**

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state 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 in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state 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.

Sec. 602. From the amount appropriated in part 1 for state universities, the state 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 in cooperation with the Michigan community college association.

Sec. 603. State universities shall work with the state community colleges to encourage the transfer of students from the community colleges to the state universities and to facilitate the transfer of credits from the community colleges to the state universities.

#### **GENERAL REPORTS AND AUDITS**

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all state universities and may perform audits of selected state universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2009.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not eligible for the institution's in-state main campus resident tuition rate. However, in instances where a student is enrolled in distance education and non-distance education credit hours in a given term and the student's non-distance education enrollment is at a campus or site located within Michigan, student credit hours per the student's eligibility for in-state or out-of-state tuition rates may be reported.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

(i) Represent new options, fields, or concentrations within existing programs.

(ii) Are consistent with the current institutional role and mission.

(iii) Are accommodated within the continuing funding base of the institution.



(iv) Do not require a new degree level beyond that which the institution is currently authorized to grant within that discipline or field.

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

(3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the state universities for compliance with the definitions approved by the HEIDI advisory committee for the HEIDI database.

(4) "Distance learning instruction" as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the Internet, cable television, teleconference, or mail.

Sec. 701a. (1) Pursuant to section 701(2)(e), state universities may establish the following degree programs:

(a) Bachelor's degree programs:

Central Michigan University, Construction Management Major, B.A., B.A.A., B.S.

Central Michigan University, Music Education Major: General Music Option: General Music Minor, B.M.E.

Central Michigan University, Real Estate: Development and Finance Major, B.S. in Business Administration

Eastern Michigan University, International Affairs, B.A./B.S.

Ferris State University, Dental Hygiene, B.S.

Ferris State University, Digital Media Software Engineering, B.S.

Ferris State University, Information Security and Intelligence, B.S.

Grand Valley State University, Art History, B.A.

Michigan Technological University, Theatre and Electronic Media Performance, B.A.

Northern Michigan University, Loss Prevention Management, Bachelor's

Oakland University, Applied Health Sciences, B.S. in Health Sciences

Oakland University, B.F.A. in Theatre: Acting, Musical Theatre, Design and Technology, B.F.A.

Oakland University, Dance, B.F.A.

Oakland University, Engineering Biology, B.S.

Oakland University, Liberal Arts Major in International Relations, B.A.

Oakland University, Social Work Program, B.S.W.

University of Michigan - Flint, Journalism, B.A.

University of Michigan - Flint, Mechanical Engineering, B.S.

Western Michigan University, Social Studies Secondary Education, B.A.

(b) Master's degree programs:

Central Michigan University, Apparel Product Development and Merchandising Technology, M.S.

Eastern Michigan University, Autism Spectrum Disorders, M.A.

Eastern Michigan University, English Studies for Teachers, M.A.

Eastern Michigan University, Health Administration, Master's

Ferris State University, Art Education, Master's

Saginaw Valley State University, E-Learning, M.A.

University of Michigan - Flint, B.S./M.S. in Chemistry or Biochemistry, B.S./M.S.

(c) Doctoral degree programs:

Central Michigan University, Science of Advanced Materials, Ph.D.

Eastern Michigan University, Educational Studies, Ph.D.

Oakland University, Computer Science and Informatics, Ph.D.

University of Michigan - Flint, Doctor of Nursing Practice, D.N.P.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for purposes of section 701(2)(e) in fiscal years after 2008-2009, the presidents council of state universities shall also provide a listing of degree programs that institutions of higher education will no longer offer in subsequent academic years.

Sec. 702. The principal executive officer of each institution of higher education receiving an appropriation under this act shall expend a portion of the funds appropriated to that institution to make a report to the auditor general, the house and senate fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The institution's report shall specify all of the following:

(a) The recommendations of the auditor general implemented by the institution, including projected dates and resources required, if any, to achieve compliance.

(b) The recommendations of the auditor general not implemented by the institution or implemented by the institution as modified.

(c) The rationale for not implementing a recommendation of the auditor general or of implementing a recommendation as modified.

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2009 as the auditor general considers necessary.

Sec. 709. An institution of higher education receiving funds under this act and also subject to the student right-to-know and campus security act, Public Law 101-522, 104 Stat. 2381, shall make a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

Sec. 714. An institution receiving funds under this act and also subject to the family educational rights and privacy act (FERPA), 20 USC section 1232g, 34 CFR part 99, shall, when requested, provide information from the records of a student to any person or persons to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

ARTICLE 4  
STATE AND REGIONAL PROGRAMS, GRANTS, AND FINANCIAL AID  
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this article are appropriated for certain state purposes related to education for the fiscal year ending September 30, 2009, from the funds indicated in this part.

**Sec. 102. STATE AND REGIONAL PROGRAMS**

Full-time equated positions .....	1.0	
Higher education database modernization and conversion—1.0 FTE position .....		\$ 200,000
Midwestern higher education compact .....		95,000
GROSS APPROPRIATION .....		\$ 295,000
Appropriated from:		
State general fund/general purpose .....		\$ 295,000

**Sec. 103. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS**

**PROGRAM**

Select student supportive services .....		\$ 1,956,100
Michigan college/university partnership program .....		586,800
Morris Hood, Jr. educator development program .....		148,600
GROSS APPROPRIATION .....		\$ 2,691,500
Appropriated from:		
State general fund/general purpose .....		\$ 2,691,500

**Sec. 104. GRANTS AND FINANCIAL AID**

State competitive scholarships .....		\$ 35,530,500
Tuition grants .....		56,668,100
Michigan work-study program .....		7,326,300
Part-time independent student program .....		2,653,300
Michigan education opportunity grants .....		2,084,200
Robert C. Byrd honors scholarship program .....		1,500,000
Nursing scholarship and grant programs .....		4,250,000
Michigan merit award program .....		5,200,000
Michigan promise grant program .....		90,500,000
Tuition incentive program .....		25,200,000
Children of veterans tuition grant program .....		1,000,000
Project gear-up .....		3,000,000
GROSS APPROPRIATION .....		\$ 234,912,400

Appropriated from:

Federal revenues:

Higher education act of 1965, title IV, 20 USC .....	2,900,000
Higher education act of 1965, title IV, part A .....	1,500,000
United States department of education, office of elementary and secondary education, gear-up .....	3,000,000

Special revenue funds:

Michigan merit award trust fund .....	115,800,000
Contributions to children of veterans tuition grant program .....	300,000
State general fund/general purpose .....	\$ 111,412,400

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GRANTS AND FINANCIAL AID**

Sec. 301. (1) Payments of the amounts included in part 1 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) The Michigan higher education assistance authority shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(3) 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.

(4) If the Michigan higher education assistance authority 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.

(5) Students who receive aid under 1964 PA 208, MCL 390.971 to 390.981, shall be awarded scholarships on the basis of merit and financial need. Veterans administration benefits shall not be considered in determining eligibility under 1964 PA 208, MCL 390.971 to 390.981.

(6) It is the intent of the legislature to secure funding to provide a 1.0% increase for state competitive scholarships for fiscal year 2008-2009.

Sec. 302. (1) The amounts appropriated in part 1 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 who apply before July 1, 2008 and who are qualified. Tuition grant awards shall not be made to students newly enrolled in a juris doctor law degree program after the 1995-1996 academic year.

(3) The Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student, which shall be no less than \$2,100.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. If the authority determines that insufficient funds are available to establish a maximum award amount of \$2,100.00, the authority 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 \$2,100.00 maximum award amount. By December 15, 2008, and again by February 1, 2009, the authority 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 part 1 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 February 15, 2009. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2009 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30, 2009, but shall continue to be available for expenditure for tuition grants provided in the 2009-2010 fiscal year under a work project account. The use of these unexpended fiscal year 2008-2009 funds shall terminate at the end of the 2009-2010 fiscal year.

(5) The Michigan higher education assistance authority 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 Michigan higher education assistance authority 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 fiscal year 2008-2009.

(7) It is the intent of the legislature to secure funding to provide a 1.0% increase for Michigan tuition grants for fiscal year 2008-2009.

Sec. 303. (1) Included in the appropriation in part 1 is funding for the Michigan work-study program established under 1986 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to 390.1332. An effort should be made by each institution participating in the Michigan work-study program to assure that not less than 10% of those undergraduate, graduate, and professional students eligible to participate in the program are placed with for-profit employers no later than December 31 of each year for which funding is provided under this act.

(2) The Michigan higher education assistance authority shall allocate funds to institutions eligible for work-study money based upon each institution's specific Pell grant index and each institution's utilization rate of work-study funds for the 3 most recent years for which statistics are available.

(3) The Michigan higher education assistance authority shall set aside not more than 5% of the total work-study appropriation to process requests from participating institutions for allocation adjustments. Allocation adjustments shall be based on criteria set by the authority prior to making the allocations under subsection (2).

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2009.

Sec. 308. The sums appropriated in part 1 for the student financial aid 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, nursing scholarship, tuition incentive, and tuition grant programs, 40% shall be paid at the beginning of the state's first fiscal quarter, 40% at the beginning of the state's second fiscal quarter, 10% at the beginning of the state's third fiscal quarter, and 10% at the beginning of the state's fourth fiscal quarter.

(b) For the work-study program, payments shall be made in 11 monthly installments from October 1 to August 31 of any year.

(c) For the part-time independent student program and the Michigan education opportunity grant program, 50% shall be paid at the beginning of the state's first fiscal quarter, 25% at the beginning of the state's second fiscal quarter, and 25% at the beginning of the state's third fiscal quarter.

(d) For the Robert C. Byrd honors scholarship program, 50% shall be paid at the beginning of the state's first fiscal quarter and 50% at the beginning of the state's second fiscal quarter.

Sec. 309. The Michigan higher education assistance authority shall determine the needs analysis criteria for students to qualify for the state competitive scholarship program and tuition grant program. To be consistent with federal requirements, student wages may be taken into consideration when determining the amount of the award.

Sec. 310. (1) The funds appropriated in part 1 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.

(3) A person shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

(a) To be eligible for phase I, a person shall meet all of the following criteria:

(i) Apply for certification to the department before graduating from high school or completing the general education development (GED) certificate.

(ii) Be less than 20 years of age at the time of high school graduation or GED completion.

(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 GED certificate completion.

(v) Request information on filing a FAFSA.

(b) To be eligible for phase II, a person 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, a person must be financially eligible as determined by the department. A person is financially eligible for the tuition incentive program if that person was Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade.

(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.

(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.

(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.

(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.

(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.

(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.

(10) The department shall ensure that the tuition incentive program is well publicized and that potentially eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

Sec. 311. To enable the legislature and the state budget director to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature or state budget director, upon request, data regarding grants for the preceding, current, and ensuing fiscal years.

Sec. 312. From the funds appropriated in part 1 for nursing scholarship and grant programs, the Michigan higher education assistance authority shall administer any nursing scholarship or nursing school grant programs authorized under the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

Sec. 314. By December 1 of each year, the Michigan higher education assistance authority shall submit a report to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies for the preceding fiscal year on the children of veterans tuition grant program. The report shall include, but is not limited to, the total number of tuition grants paid by the authority in the preceding fiscal year, the total dollar amount of those tuition grants, and the number of students receiving tuition grants and the total amount of those tuition grants at each eligible institution.

Sec. 315. By January 15 of each year, the department of treasury shall submit a report to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies for the preceding fiscal year on all student financial aid programs for which funds are appropriated in part 1. For each student financial aid program, the report shall include, but is not limited to, the total number of awards paid in the preceding fiscal year, the total dollar amount of those awards, and the number of students receiving awards and the total amount of those awards at each eligible postsecondary institution. To the extent information is available, the report shall also include information on the average exam performance, household income, and other demographic characteristics of students receiving awards under each program and historical information on the number of awards and total award amounts for each program.

#### **STATE AND REGIONAL PROGRAMS**

Sec. 405. The funds appropriated in part 1 for higher education database modernization and conversion shall be expended to maintain, coordinate, and improve the higher education institutional data inventory (HEIDI) established under section 1299 of the management and budget act, 1984 PA 431, MCL 18.1299. The advisory committee established under that section shall meet regularly to review data definitions and requirements in order to advise the state budget director regarding changes to those definitions and requirements that would result in more useful and reliable data being provided to state policymakers and university officials.

#### **MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**

Sec. 503. (1) Included in part 1 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 state 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 Michigan department of labor and economic growth.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year state 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 state 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 Michigan department of labor and economic growth.

Sec. 506. (1) Included in the appropriation in part 1 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 Michigan department of labor and economic growth.

(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. 507. Each state institution of higher education receiving funds under section 503, 504, or 506 shall notify the Michigan department of labor and economic growth by April 15, 2009 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the amount of funding reported as not being expended will be reallocated to the state institutions of higher education that intend to expend all funding received under section 503, 504, or 506.

#### **REPORTS**

Sec. 715. By December 1, 2008, the Michigan department of labor and economic growth shall submit a report to the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies on the status of nursing education in Michigan. The report shall include, but is not limited to, the number of nursing degree programs offered at Michigan postsecondary institutions, the type of nursing degrees offered (associate, bachelor's, master's, doctoral), the number of available openings for new nursing students, the number and type of faculty needed to expand nursing education, and any barriers there may be to the employment of more nurses in the state of Michigan.

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2009; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Tony Stamas  
Thomas M. George  
Jim Barcia  
Conferees for the Senate

Pam Byrnes  
George Cushingberry, Jr.  
Bill Caul  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsey moved that the rule be suspended.

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

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. 471**

#### **Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

By unanimous consent the Senate proceeded to the order of

**Introduction and Referral of Bills**

Senator George introduced

**Senate Bill No. 1432, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 2567b.

The bill was read a first and second time by title and referred to the Committee on Local, Urban and State Affairs.

Senator George introduced

**Senate Bill No. 1433, entitled**

A bill to amend 1893 PA 206, entitled "The general property tax act," (MCL 211.1 to 211.155) by adding sections 89d and 89e.

The bill was read a first and second time by title and referred to the Committee on Local, Urban and State Affairs.

Senators Scott, Brater, Clarke, Clark-Coleman, Hunter and Thomas introduced

**Senate Bill No. 1434, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 307 (MCL 257.307), as amended by 2008 PA 36.

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

Senators Clarke, Scott, Brater, Clark-Coleman, Hunter and Thomas introduced

**Senate Bill No. 1435, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 2891 (MCL 333.2891), as amended by 2004 PA 467.

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

Senators Brater, Scott, Clarke, Clark-Coleman, Hunter and Thomas introduced

**Senate Bill No. 1436, 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 2008 PA 40.

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

Senators Jacobs, Whitmer, Clark-Coleman, Clarke, Pappageorge, Stamas, Van Woerkom, Garcia, Thomas, Anderson, Scott, Basham and Allen introduced

**Senate Bill No. 1437, entitled**

A bill to amend 1997 PA 16, entitled "The playground equipment safety act," by amending sections 2 and 6 (MCL 408.682 and 408.686).

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

Senator Richardville introduced  
**Senate Bill No. 1438, entitled**

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending the title, the heading of part 61, and sections 3301, 3330, 4501, 6101, 6105, 6107, and 6110 (MCL 500.3301, 500.3330, 500.4501, 500.6101, 500.6105, 500.6107, and 500.6110), the title as amended by 2002 PA 304, section 4501 as added by 1995 PA 276, and sections 6101, 6105, 6107, and 6110 as added by 1992 PA 174, and by adding sections 6104, 6104a, 6104b, and 6108; 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 Regulatory Reform.

Senators Richardville and Jacobs introduced  
**Senate Bill No. 1439, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 20155 (MCL 333.20155), as amended by 2006 PA 195, and by adding section 20155a.

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

Senator Cassis introduced  
**Senate Bill No. 1440, entitled**

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 109 (MCL 208.1109).

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

**House Bill No. 5534, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending sections 248 and 249 (MCL 750.248 and 750.249), section 248 as amended by 1991 PA 145.

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. 5746, entitled**

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending section 8e (MCL 125.2688e), as added by 2008 PA 117.

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 Economic Development and Regulatory Reform.

**House Bill No. 5752, entitled**

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," (MCL 125.2001 to 125.2094) by adding section 79.

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 Agriculture.

**House Bill No. 5934, entitled**

A bill to amend 1962 PA 174, entitled "Uniform commercial code," by amending sections 9515, 9516, 9520, and 9521 (MCL 440.9515, 440.9516, 440.9520, and 440.9521), as added by 2000 PA 348, and by adding section 9501a; and to repeal acts and parts of acts.

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 Banking and Financial Institutions.

**House Bill No. 5935, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 14g of chapter XVII (MCL 777.14g), as amended by 2004 PA 304.

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 Banking and Financial Institutions.



**House Bill No. 5938, entitled**

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 429 (MCL 208.1429). 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 Finance.

**House Bill No. 5951, entitled**

A bill to amend 2000 PA 92, entitled "Food law of 2000," by amending section 3119 (MCL 289.3119), as amended by 2007 PA 113. 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 Agriculture.

**House Bill No. 5987, entitled**

A bill to amend 1982 PA 325, entitled "An act to authorize county sheriffs to declare a county jail overcrowding state of emergency; to prescribe the powers and duties of certain judges, county sheriffs, and other county officials; and to provide remedies for a county jail overcrowding state of emergency," by amending section 6 (MCL 801.56), as amended by 1988 PA 399. 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. 5992, entitled**

A bill to amend 2000 PA 92, entitled "Food law of 2000," by amending section 3119 (MCL 289.3119), as amended by 2007 PA 113. 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 Agriculture.

**House Bill No. 6112, entitled**

A bill to provide for compulsory arbitration of labor disputes in public corrections facilities; to provide for the selection of members of arbitration panels; to prescribe the procedures and authority of arbitration panels; and to provide for the enforcement and review of decisions of the arbitration panels. 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 and Reform.

By unanimous consent the Senate returned to the order of

**Resolutions**

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

**Senate Concurrent Resolution No. 22****Senate Resolution No. 181**

The motion prevailed.

**House Concurrent Resolution No. 90.**

A concurrent resolution approving a decrease and subsequent increase in Total Project Cost and approving a lease between the State of Michigan and the State Building Authority relative to the Department of Management and Budget State Facility Preservation Projects, Phase I and Phase II, Group E, Special Maintenance Projects.

Whereas, House Concurrent Resolution 35 of 2007, adopted on November 29, 2007, by the Michigan Legislature, approved a Total Facility Cost of \$47,296,000 for the Department of Management and Budget State Facility Preservation Projects, Phase I and Phase II, Group E, Special Maintenance Projects (the "Facility"), with the State Building Authority (the "Authority") share of \$47,296,000 and the State General Fund/General Purpose share of \$0; and

Whereas, Since the adoption of House Concurrent Resolution 35 of 2007, \$9,233,000 of the Facility allocable to the VanWagoner Building was removed from the Facility's list of projects and assigned to the Department of Management and Budget Facility Preservation Projects, Phase I and Phase II, Group F, VanWagoner Building (the "Group F Project"); and

Whereas, Such assignment of costs resulted in the Facility's Total Project Cost to decrease by \$9,233,000 to \$38,063,000, which decreased the Authority's share by \$9,233,000 to a share of \$38,063,000, and the General Fund/General Purpose share remained at \$0; and

Whereas, It is now estimated that the total cost to complete the project has increased by \$900,000, thereby increasing the Authority's share by \$900,000, from \$38,063,000 to \$38,963,000, and the General Fund/General Purpose share remains at \$0; and

Whereas, Section 246 of 1984 PA 431, as amended, being MCL § 18.1246, provides that the authorized costs of projects shall only be established or revised by specific reference in a budget act, by concurrent resolution adopted by both houses of the legislature, or inferred by the total amount of any appropriations made to complete plans, acquisition, and installation; and

Whereas, Section 7 of 1964 PA 183, as amended, being MCL § 830.417, requires that before a lease between the State of Michigan (the "State") and the State Building Authority that is only for capital maintenance improvements is executed, the general form of the lease shall be approved by a concurrent resolution concurred in by a majority of the members elected to and serving in each house of the Michigan Legislature, with the votes and names of the members voting thereon entered in the journal. The description of the property to be leased and the rental to be paid by the State shall be approved by the State Administrative Board; and

Whereas, Providing capital maintenance improvements to be used by the State pursuant to the lease for the Facility is a recognized public purpose; and

Whereas, A lease between the Authority and the State has been prepared providing for the leasing of the Facility by the Authority to the State (the "Lease"); and

Whereas, The Executive Director of the Authority has furnished the Joint Capital Outlay Subcommittee of the Legislature with information and documents relative to the Lease; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Total Facility Cost for the Department of Management and Budget State Facility Preservation Projects, Phase I and Phase II, Group E, Special Maintenance Projects shall not exceed \$38,963,000 (the Authority share shall not exceed \$38,963,000 and the State General Fund/General Purpose share shall not exceed \$0), plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, of which not more than \$38,963,000, plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, shall be financed from bonds issued by the Authority, exclusive of amounts necessary for reserves, interest, or other nonconstruction costs; and be it further

Resolved, That the Legislature hereby approves the Authority acquiring the Facility and leasing it to the State and hereby determines that the leasing of the Facility from the Authority is for a public purpose as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the annual amounts of "True Rental" for the Facility shall be within or below the range of \$3,083,000 and \$3,905,000, as shall reflect variations that may occur in the components upon which the appraisal of True Rental was based, which amounts shall be certified by the appraiser and thereafter approved by the State Administrative Board and the Authority as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the Lease is hereby approved by this concurrent resolution, and the Governor and the Secretary of State are authorized and directed to execute the Lease for and on behalf of the State; and be it further

Resolved, That, by hereby approving the Lease between the State and the Authority, the Legislature agrees to appropriate annually sufficient amounts to pay the rent as obligated pursuant to the Lease; and be it further

Resolved, That a copy of this concurrent resolution be transmitted to the Governor, the Secretary of State, the Authority, and the State Budget Director.

The House of Representatives has adopted the concurrent resolution.

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

Senator Cropsey moved that the rule be suspended.

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

The Secretary of the Senate made the following statement:

Mr. President and members of the Senate, the lease and exhibits are attached to the resolution and are available for review by the membership now at the rostrum or after session in the offices of the Session Staff in the Boji Tower.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, as follows:

#### Roll Call No. 472

#### Yeas—37

Allen  
Anderson  
Barcia

Clark-Coleman  
Clarke  
Cropsey

Jacobs  
Jansen  
Jelinek

Prusi  
Richardville  
Sanborn

Basham  
Birkholz  
Bishop  
Brater  
Brown  
Cassis  
Cherry

Garcia  
George  
Gilbert  
Gleason  
Hardiman  
Hunter

Kahn  
Kuipers  
McManus  
Olshove  
Pappageorge  
Patterson

Schauer  
Scott  
Stamas  
Switalski  
Thomas  
Van Woerkom

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senators Birkholz, Clark-Coleman, Clarke, Jacobs, Pappageorge and Switalski were named co-sponsors of the concurrent resolution.

**House Concurrent Resolution No. 91.**

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease between the State of Michigan and the State Building Authority relative to the Department of Corrections Egeler Correctional Facility Fire Safety Improvements.

Whereas, Section 5 of 1964 PA 183, as amended, being MCL § 830.415, requires the approval of the State Administrative Board, the Attorney General, and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before land owned by the State of Michigan (the "State") may be conveyed to the State Building Authority (the "Authority"); and

Whereas, The site for the Department of Corrections Egeler Correctional Facility Fire Safety Improvements, located in Jackson County (the "Facility"), is currently owned by the State; and

Whereas, Section 7 of 1964 PA 183, as amended, being MCL § 830.417, requires the approval of the State Administrative Board and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before the State may enter into a lease with the Authority upon a showing of a public purpose; and

Whereas, Providing additional space to be used by the State pursuant to the lease for the Facility is a recognized public purpose; and

Whereas, A lease between the Authority and the State has been prepared providing for the leasing of the Facility by the Authority to the State (the "Lease"); and

Whereas, The Executive Director of the Authority has furnished the Joint Capital Outlay Subcommittee of the Legislature with information and documents relative to the Lease; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Total Facility Cost for the Department of Corrections Egeler Correctional Facility Fire Safety Improvements shall not exceed \$8,300,000 (the Authority share is \$8,299,900 and the State General Fund/General Purpose share is \$100), plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, of which not more than \$8,299,900, plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, shall be financed from bonds issued by the Authority, exclusive of amounts necessary for reserves, interest, or other nonconstruction costs; and be it further

Resolved, That the Legislature hereby approves the necessary conveyances of property to the Authority as more particularly described in the Lease and attachments thereto; and be it further

Resolved, That the Legislature hereby approves the Authority acquiring the Facility and leasing it to the State and hereby determines that the leasing of the Facility from the Authority is for a public purpose as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the annual amounts of "True Rental" for the Facility shall be within or below the range of \$601,000 and \$773,000, as shall reflect variations that may occur in the components upon which the appraisal of True Rental was

based, which amounts shall be certified by the appraiser and thereafter approved by the State Administrative Board and the Authority as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the Lease is hereby approved by this concurrent resolution, and the Governor and the Secretary of State are authorized and directed to execute the Lease for and on behalf of the State; and be it further

Resolved, That, by hereby approving the Lease between the State and the Authority, the Legislature agrees to appropriate annually sufficient amounts to pay the rent as obligated pursuant to the Lease; and be it further

Resolved, That a copy of this concurrent resolution be transmitted to the Governor, the Secretary of State, the Authority, and the State Budget Director.

The House of Representatives has adopted the concurrent resolution.

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

Senator Cropsey moved that the rule be suspended.

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

The Secretary of the Senate made the following statement:

Mr. President and members of the Senate, the lease and exhibits are attached to the resolution and are available for review by the membership now at the rostrum or after session in the offices of the Session Staff in the Boji Tower.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 473**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senators Birkholz, Clarke, Gleason, Jacobs, Pappageorge, Richardville, Schauer and Switalski were named co-sponsors of the concurrent resolution.

**House Concurrent Resolution No. 92.**

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and Central Michigan University relative to the Central Michigan University Education and Human Services Building.

Whereas, Section 5 of 1964 PA 183, as amended, being MCL § 830.415, requires the approval of the Board of Trustees of Central Michigan University (the "Educational Institution"), the State Administrative Board, and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house,

with the votes and names of the members voting thereon entered in the journal, before land owned by the Educational Institution may be conveyed to the State Building Authority (the "Authority"); and

Whereas, The site for the Central Michigan University Education and Human Services Building (the "Facility") is currently owned by the Educational Institution; and

Whereas, Section 7 of 1964 PA 183, as amended, being MCL § 830.417, requires the approval of the State Administrative Board and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before the State of Michigan (the "State") may enter into a lease with the Authority upon a showing of a public purpose; and

Whereas, Providing additional space to be used by the Educational Institution pursuant to the lease for the Facility is a recognized public purpose; and

Whereas, A lease among the Authority, the State, and the Educational Institution has been prepared providing for the leasing of the Facility by the Authority to the State and the Educational Institution (the "Lease"); and

Whereas, The Executive Director of the Authority has furnished the Joint Capital Outlay Subcommittee of the Legislature with information and documents relative to the Lease; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Total Facility Cost for the Central Michigan University Education and Human Services Building shall not exceed \$50,000,000 (the Authority share is \$37,499,800, the State General Fund/General Purpose share is \$200, and the Educational Institution share is \$12,500,000), plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, of which not more than \$37,499,800, plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, shall be financed from bonds issued by the Authority, exclusive of amounts necessary for reserves, interest, or other nonconstruction costs; and be it further

Resolved, That the Legislature hereby approves the necessary conveyances of property to the Authority as more particularly described in the Lease and attachments thereto; and be it further

Resolved, That the Legislature hereby approves the Authority acquiring the Facility and leasing it to the State and the Educational Institution and hereby determines that the leasing of the Facility from the Authority is for a public purpose as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the annual amounts of "True Rental" for the Facility shall be within or below the range of \$2,572,000 and \$3,363,000, as shall reflect variations that may occur in the components upon which the appraisal of True Rental was based, which amounts shall be certified by the appraiser and thereafter approved by the State Administrative Board and the Authority as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the Lease is hereby approved by this concurrent resolution, and the Governor and the Secretary of State are authorized and directed to execute the Lease for and on behalf of the State; and be it further

Resolved, That, by hereby approving the Lease among the State, the Educational Institution, and the Authority, the Legislature agrees to appropriate annually sufficient amounts to pay the rent as obligated pursuant to the Lease; and be it further

Resolved, That copies of this concurrent resolution be transmitted to the Governor, the Secretary of State, the Authority, the Board of Trustees of Central Michigan University, and the State Budget Director.

The House of Representatives has adopted the concurrent resolution.

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

Senator Cropsey moved that the rule be suspended.

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

The Secretary of the Senate made the following statement:

Mr. President and members of the Senate, the lease and exhibits are attached to the resolution and are available for review by the membership now at the rostrum or after session in the offices of the Session Staff in the Boji Tower.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, as follows:

#### Roll Call No. 474

#### Yeas—37

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott

Bishop  
Brater  
Brown  
Cassis  
Cherry

Gilbert  
Gleason  
Hardiman  
Hunter

McManus  
Olshove  
Pappageorge  
Patterson

Stamas  
Switalski  
Thomas  
Van Woerkom

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senators Birkholz, Clarke, Jacobs, Pappageorge and Switalski were named co-sponsors of the concurrent resolution.

**House Concurrent Resolution No. 93.**

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and the Board of Governors of Wayne State University relative to the Wayne State University Engineering Development Center.

Whereas, Section 5 of 1964 PA 183, as amended, being MCL § 830.415, requires the approval of the Board of Governors of Wayne State University (the “Educational Institution”), the State Administrative Board, and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before land owned by the Educational Institution may be conveyed to the State Building Authority (the “Authority”); and

Whereas, The site for the Wayne State University Engineering Development Center (the “Facility”) is currently owned by the Educational Institution; and

Whereas, Section 7 of 1964 PA 183, as amended, being MCL § 830.417, requires the approval of the State Administrative Board and the Michigan Legislature by concurrent resolution concurred in by a majority of the members elected to and serving in each house, with the votes and names of the members voting thereon entered in the journal, before the State of Michigan (the “State”) may enter into a lease with the Authority upon a showing of a public purpose; and

Whereas, Providing additional space to be used by the Educational Institution pursuant to the lease for the Facility is a recognized public purpose; and

Whereas, A lease among the Authority, the State, and the Educational Institution has been prepared providing for the leasing of the Facility by the Authority to the State and the Educational Institution (the “Lease”); and

Whereas, The Executive Director of the Authority has furnished the Joint Capital Outlay Subcommittee of the Legislature with information and documents relative to the Lease; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Total Facility Cost for the Wayne State University Engineering Development Center shall not exceed \$27,350,000 (the Authority share is \$14,999,800, the State General Fund/General Purpose share is \$200, and the Educational Institution share is \$12,350,000), plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, of which not more than \$14,999,800, plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, shall be financed from bonds issued by the Authority, exclusive of amounts necessary for reserves, interest, or other nonconstruction costs; and be it further

Resolved, That the Legislature hereby approves the necessary conveyances of property to the Authority as more particularly described in the Lease and attachments thereto; and be it further

Resolved, That the Legislature hereby approves the Authority acquiring the Facility and leasing it to the State and the Educational Institution and hereby determines that the leasing of the Facility from the Authority is for a public purpose as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the annual amounts of “True Rental” for the Facility shall be within or below the range of \$1,029,000 and \$1,345,000, as shall reflect variations that may occur in the components upon which the appraisal of True Rental was based, which amounts shall be certified by the appraiser and thereafter approved by the State Administrative Board and the Authority as authorized by 1964 PA 183, as amended; and be it further

Resolved, That the Lease is hereby approved by this concurrent resolution, and the Governor and the Secretary of State are authorized and directed to execute the Lease for and on behalf of the State; and be it further

Resolved, That, by hereby approving the Lease among the State, the Educational Institution, and the Authority, the Legislature agrees to appropriate annually sufficient amounts to pay the rent as obligated pursuant to the Lease; and be it further

Resolved, That copies of this concurrent resolution be transmitted to the Governor, the Secretary of State, the Authority, the Board of Governors of Wayne State University, and the State Budget Director.

The House of Representatives has adopted the concurrent resolution.

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

Senator Cropsey moved that the rule be suspended.

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

The Secretary of the Senate made the following statement:

Mr. President and members of the Senate, the lease and exhibits are attached to the resolution and are available for review by the membership now at the rostrum or after session in the offices of the Session Staff in the Boji Tower.

The question being on the adoption of the concurrent resolution,

The concurrent resolution was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 475**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senators Birkholz, Clark-Coleman, Clarke, Gleason, Jacobs, Pappageorge and Switalski were named co-sponsors of the concurrent resolution.

**Recess**

Senator Cropsey moved that the Senate recess until 3:00 p.m.

The motion prevailed, the time being 1:30 p.m.

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

### Recess

Senator Brown moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 3:01 p.m.

6:23 p.m.

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

By unanimous consent the Senate proceeded to the order of

### Statements

Senators Scott and Sanborn asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Scott's statement is as follows:

House Bill No. 4481 establishes the Foster Care Independence Program; to provide certain services for certain youth in foster care due to child abuse or child neglect; and to prescribe the duties of certain state departments. The question being on the passage of the bill, the bill was passed with the majority of members serving voting therefor, as follows: Roll Call Vote No. 441; there were 36 "yeas" and 1 "nay." Somehow, I inadvertently hit the wrong button, and I would have voted "yea" on House Bill No. 4481. That one really hurt me because it was about foster kids, and I voted "nay."

During consideration of the *Kreiner* package, I was outside the chamber talking to one of my constituents and didn't make it in time to vote. It was indicated in one of the papers, I believe *Michigan Information & Research Service*, that I was abstaining from the vote. They lumped me in with two other Senators. I did not abstain; I just did not vote because I was not in the room. I would have voted for the *Kreiner* bill.

I rise today to address you before our July recess. You all stand, as we stand poised, on the brink of a summer recess, and I wish you all sun-filled days of relaxation and reflection. I hope that during your time away you will contemplate some of the issues I have reminded you of on a daily basis during the previous months: fairness, equality, honesty, justice, compassion, dignity, decency—and that you will consider them honestly deep in your heart.

I further hope that you will also consider the needs of the hardworking and honest Michigan residents as they struggle to protect their automobiles, homes, and possessions from devastating losses. I hope you will remember that these residents, your constituents, are facing difficult times right now and that it is our responsibility to do all in our power to safeguard their futures.

You in this chamber have the power to change the lives of millions of Michigan citizens. Think about it. It's an awesome responsibility. You know, there's an old blues song that says: "The sun's gonna shine in my backyard some day." Well, I am hopeful that the sun's gonna shine in my backyard real soon, and that day is gonna come on the day that you move my bills.

May your time off be restful, productive, and fruitful. God bless you all.

Senator Sanborn's statement is as follows:

I appreciate so many things in this chamber. I appreciate the committee process. I certainly appreciate the caucus process, but I do also appreciate the bipartisan nature in which we move good legislation forward. This evening, hopefully, we will move forward a copper theft package. I do want to thank the vice chairman of my committee and wanted to note what a leader Senator Buzz Thomas has been on this copper theft issue. There will be a lot of people slapping each other on the back and glad-handing, but Senator Buzz Thomas has been a champion on this issue. It has been a pleasure to serve with him. It has been a pleasure to help him move this issue forward. Of course, it is a bipartisan issue, but I thank my vice chairman for the opportunity to work with him to move this issue forward. Now let's get it done.

By unanimous consent the Senate returned to the order of

### Conference Reports

Senator Cropsey submitted the following:

#### FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning  
**Senate Bill No. 1095, entitled**

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to provide for reports;



to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Recommends:

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

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of corrections for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF CORRECTIONS**

**APPROPRIATION SUMMARY:**

Average population .....	51,841	
Full-time equated unclassified positions.....	16.0	
Full-time equated classified positions .....	17,087.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 2,040,648,200</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	1,277,200	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 2,039,371,000</b>
Federal revenues:		
Total federal revenues.....	10,350,200	
Special revenue funds:		
Total local revenues.....	430,300	
Total private revenues.....	0	
Total other state restricted revenues .....	53,094,700	
State general fund/general purpose .....		<b>\$ 1,975,495,800</b>

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions.....	16.0	
Full-time equated classified positions .....	5.0	
Unclassified positions—16.0 FTE positions .....		<b>\$ 1,360,000</b>
Executive direction—5.0 FTE positions.....		<b>1,311,600</b>
<b>GROSS APPROPRIATION .....</b>		<b>\$ 2,671,600</b>
Appropriated from:		
State general fund/general purpose .....		<b>\$ 2,671,600</b>

**Sec. 103. PLANNING AND COMMUNITY SUPPORT**

Full-time equated classified positions .....	72.0	
Planning, community development and research—32.0 FTE positions .....		<b>\$ 3,361,400</b>
Mental health awareness training .....		100,000
Prisoner reintegration programs .....		33,173,700
Community corrections administration—17.0 FTE positions .....		1,876,800
Substance abuse testing and treatment services—23.0 FTE positions .....		20,262,100
Residential services .....		17,075,500
Community corrections comprehensive plans and services .....		12,758,000
Public education and training.....		50,000
Regional jail program.....		100
Felony drunk driver jail reduction and community treatment program .....		1,740,100
County jail reimbursement program.....		12,272,100
<b>GROSS APPROPRIATION .....</b>		<b>\$ 102,669,800</b>

For Fiscal Year  
Ending Sept. 30,  
2009

Appropriated from:	
Federal revenues:	
DOJ-OJP, Byrne grants.....	\$ 729,600
DOJ-OJP, RSAT .....	142,800
DOJ, prisoner reintegration .....	1,035,000
Special revenue funds:	
Civil infraction fees .....	7,514,400
State general fund/general purpose .....	\$ 93,248,000
<b>Sec. 104. OPERATIONS SUPPORT ADMINISTRATION</b>	
Full-time equated classified positions .....	133.9
Operations support administration—43.0 FTE positions .....	\$ 5,052,200
New custody staff training .....	13,313,300
Compensatory buyout and union leave bank.....	100
Workers' compensation .....	15,629,000
Bureau of fiscal management—59.9 FTE positions .....	5,440,700
Office of legal services—22.0 FTE positions .....	2,409,400
Internal audit services.....	660,400
Internal affairs—9.0 FTE positions .....	915,000
Rent .....	2,095,200
Equipment and special maintenance.....	2,425,500
Administrative hearings officers.....	3,820,500
Judicial data warehouse user fees .....	50,000
Sheriffs' coordinating and training office .....	500,000
Prosecutorial and detainer expenses.....	4,051,000
GROSS APPROPRIATION .....	\$ 56,362,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP, Michigan justice training fund.....	698,400
Special revenue funds:	
Local corrections officer training fund.....	500,000
Correctional industries revolving fund .....	108,300
State general fund/general purpose .....	\$ 55,055,600
<b>Sec. 105. FIELD OPERATIONS ADMINISTRATION</b>	
Full-time equated classified positions .....	1,952.9
Field operations—1,802.9 FTE positions .....	\$ 153,156,400
Parole board operations—58.0 FTE positions.....	5,020,700
Parole/probation services.....	2,867,300
Intensive probation pilot program .....	980,000
Community re-entry centers—52.0 FTE positions.....	15,298,100
Electronic monitoring center—40.0 FTE positions.....	8,637,700
GROSS APPROPRIATION .....	\$ 185,960,200
Appropriated from:	
Special revenue funds:	
Local - community tether program reimbursement .....	430,300
Re-entry center offender reimbursements.....	135,000
Parole and probation oversight fees .....	10,795,100
Parole and probation oversight fees set-aside .....	3,267,300
Public works user fees.....	249,400
Tether program, participant contributions .....	6,033,800
State general fund/general purpose .....	\$ 165,049,300
<b>Sec. 106. CORRECTIONAL FACILITIES ADMINISTRATION</b>	
Full-time equated classified positions .....	1,391.9
Correctional facilities administration—41.0 FTE positions .....	\$ 7,427,600
Prison food service—494.0 FTE positions.....	83,585,000
Transportation—236.9 FTE positions.....	24,875,100
Central records—58.5 FTE positions .....	4,907,500

	For Fiscal Year Ending Sept. 30, 2009
Inmate legal services .....	\$ 704,900
Loans to parolees.....	179,400
Housing inmates in federal institutions .....	793,900
Prison industries operations—219.0 FTE positions .....	19,973,900
Education services and federal education grants—10.0 FTE positions .....	5,719,500
Federal school lunch program .....	712,800
Leased beds and alternatives to leased beds .....	100
Inmate housing fund.....	100
MPRI education program—332.5 FTE positions .....	36,610,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 185,489,900</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, forensic center food service .....	578,800
Federal revenues:	
DAG-FNS, national school lunch.....	712,800
DED-OESE, title I.....	521,900
DED-OSERS .....	101,300
DED-OVAE, adult education.....	1,893,000
DED, adult literacy grants.....	308,400
DED, vocational education equipment .....	277,400
DED, youthful offender/Specter grant.....	1,289,700
DOJ-BOP, federal prisoner reimbursement .....	211,000
DOJ-OJP, serious and violent offender reintegration initiative .....	1,010,300
DOJ, prison rape elimination act grant .....	1,004,300
SSA-SSI, incentive payment .....	124,100
Special revenue funds:	
Correctional industries revolving fund .....	19,973,900
State general fund/general purpose .....	<b>\$ 157,483,000</b>
<b>Sec. 107. CONSENT DECREES</b>	
Full-time equated classified positions .....	236.5
DOJ, psychiatric plan - MDCH mental health services .....	\$ 39,344,800
DOJ, psychiatric plan - MDOC staff and services—236.5 FTE positions.....	17,937,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 57,282,700</b>
Appropriated from:	
State general fund/general purpose .....	<b>\$ 57,282,700</b>
<b>Sec. 108. HEALTH CARE</b>	
Full-time equated classified positions .....	1,229.6
Health care administration—20.0 FTE positions .....	\$ 2,762,100
Hospital and specialty care services.....	80,274,900
Vaccination program.....	691,200
Northern region clinical complexes—276.4 FTE positions .....	38,782,800
Southeastern region clinical complexes—622.4 FTE positions .....	99,852,900
Southwestern region clinical complexes—310.8 FTE positions .....	45,015,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 267,379,600</b>
Appropriated from:	
Special revenue funds:	
Prisoner health care copayments .....	332,400
State general fund/general purpose .....	<b>\$ 267,047,200</b>
<b>Sec. 109. NORTHERN REGION CORRECTIONAL FACILITIES</b>	
Average population .....	15,855
Full-time equated classified positions .....	3,900.6
Alger maximum correctional facility - Munising—323.0 FTE positions .....	31,092,000
Average population .....	849
Baraga maximum correctional facility - Baraga—387.1 FTE positions .....	36,255,700
Average population .....	1,172

	For Fiscal Year Ending Sept. 30, 2009
Chippewa correctional facility - Kincheloe—519.3 FTE positions.....	\$ 49,188,700
Average population .....	2,282
Kinross correctional facility - Kincheloe—541.1 FTE positions .....	53,928,900
Average population .....	2,999
Marquette branch prison - Marquette—359.1 FTE positions.....	37,147,100
Average population .....	1,201
Newberry correctional facility - Newberry—280.9 FTE positions .....	26,002,000
Average population .....	978
Oaks correctional facility - Eastlake—316.5 FTE positions .....	33,477,400
Average population .....	1,156
Ojibway correctional facility - Marenisco—261.9 FTE positions .....	23,837,300
Average population .....	1,378
Pugsley correctional facility - Kingsley—222.0 FTE positions .....	20,125,400
Average population .....	1,158
Saginaw correctional facility - Freeland—323.8 FTE positions .....	30,993,700
Average population .....	1,480
Standish maximum correctional facility - Standish—365.9 FTE positions .....	36,462,900
Average population .....	1,202
<b>GROSS APPROPRIATION</b> .....	<b>\$ 378,511,100</b>
Appropriated from:	
Special revenue funds:	
Public works user fees.....	1,356,700
State general fund/general purpose .....	\$ 377,154,400
<b>Sec. 110. SOUTHEASTERN REGION CORRECTIONAL FACILITIES</b>	
Average population .....	16,637
Full-time equated classified positions .....	4,245.5
Cooper Street correctional facility - Jackson—277.9 FTE positions .....	\$ 28,151,800
Average population .....	1,752
G. Robert Cotton correctional facility - Jackson—407.5 FTE positions .....	38,273,500
Average population .....	1,854
Charles E. Egeler correctional facility - Jackson—362.3 FTE positions .....	38,698,000
Average population .....	1,108
Gus Harrison correctional facility - Adrian—484.9 FTE positions .....	46,740,300
Average population .....	2,342
Huron Valley correctional complex - Ypsilanti—691.2 FTE positions .....	67,617,100
Average population .....	1,872
Macomb correctional facility - New Haven—291.6 FTE positions .....	27,110,600
Average population .....	1,228
Mound correctional facility - Detroit—276.9 FTE positions .....	25,889,900
Average population .....	1,051
Parnall correctional facility - Jackson—261.8 FTE positions .....	26,006,500
Average population .....	1,712
Ryan correctional facility - Detroit—324.9 FTE positions .....	28,702,500
Average population .....	1,059
Robert Scott correctional facility - Plymouth—353.5 FTE positions .....	18,485,000
Average population .....	1,040
Thumb correctional facility - Lapeer—296.0 FTE positions .....	28,966,400
Average population .....	1,219
Special alternative incarceration program - Cassidy Lake—120.0 FTE positions .....	10,764,000
Average population .....	400
Jackson area support and services - Jackson—97.0 FTE positions .....	17,464,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 402,869,900</b>
Appropriated from:	
Federal revenues:	
DOJ, state criminal alien assistance program.....	988,600

	For Fiscal Year Ending Sept. 30, 2009
Special revenue funds:	
Public works user fees.....	\$ 1,508,400
State general fund/general purpose .....	\$ 400,372,900
<b>Sec. 111. SOUTHWESTERN REGION CORRECTIONAL FACILITIES</b>	
Average population .....	19,349
Full-time equated classified positions .....	3,919.1
Bellamy Creek correctional facility - Ionia—389.6 FTE positions .....	\$ 36,258,700
Average population .....	1,850
Earnest C. Brooks correctional facility - Muskegon—474.2 FTE positions .....	45,409,100
Average population .....	2,440
Carson City correctional facility - Carson City—480.8 FTE positions .....	46,904,200
Average population .....	2,440
Richard A. Handlon correctional facility - Ionia—238.4 FTE positions .....	22,938,200
Average population .....	1,320
Ionia maximum correctional facility - Ionia—307.7 FTE positions .....	29,168,900
Average population .....	707
Lakeland correctional facility - Coldwater—590.7 FTE positions.....	56,947,100
Average population .....	3,102
Michigan reformatory - Ionia—411.3 FTE positions.....	39,029,500
Average population .....	2,538
Muskegon correctional facility - Muskegon—215.7 FTE positions.....	23,068,200
Average population .....	1,326
Pine River correctional facility - St. Louis—209.7 FTE positions .....	20,161,800
Average population .....	1,200
St. Louis correctional facility - St. Louis—545.0 FTE positions .....	51,063,300
Average population .....	2,426
Ionia area support and services - Ionia—56.0 FTE positions .....	11,412,700
GROSS APPROPRIATION .....	\$ 382,361,700
Appropriated from:	
Special revenue funds:	
Public works user fees.....	619,800
State general fund/general purpose .....	\$ 381,741,900
<b>Sec. 112. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 19,089,400
GROSS APPROPRIATION .....	\$ 19,089,400
Appropriated from:	
Special revenue funds:	
Correctional industries revolving fund .....	142,100
Parole and probation oversight fees set-aside .....	558,100
State general fund/general purpose .....	\$ 18,389,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$2,028,590,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$89,162,800.00. 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.....	\$ 47,677,800
Public service work projects .....	7,841,700
Community corrections comprehensive plans and services .....	12,758,000
Community corrections residential services.....	17,075,500
Community corrections public education and training.....	50,000
Felony drunk driver jail reduction and community treatment program .....	1,740,100
Community reentry centers .....	2,019,600
Regional jail program .....	100
TOTAL.....	\$ 89,162,800

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DAG-FNS" means the DAG food and nutrition service.
- (c) "DED" means the United States department of education.
- (d) "DED-OESE" means the DED office of elementary and secondary education.
- (e) "DED-OSERS" means the DED office of special education and rehabilitative services.
- (f) "DED-OVAE" means the DED office of vocational and adult education.
- (g) "Department" or "MDOC" means the Michigan department of corrections.
- (h) "DOJ" means the United States department of justice.
- (i) "DOJ-BOP" means the DOJ bureau of prisons.
- (j) "DOJ-OJP" means the DOJ office of justice programs.
- (k) "FTE" means full-time equated.
- (l) "GED" means general educational development certificate.
- (m) "GPS" means global positioning system.
- (n) "HIV" means human immunodeficiency virus.
- (o) "IDG" means interdepartmental grant.
- (p) "IDT" means intradepartmental transfer.
- (q) "MDCH" means the Michigan department of community health.
- (r) "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.
- (s) "MDSP" means the Michigan department of state police.
- (t) "MPRI" means the Michigan prisoner reentry initiative.
- (u) "OCC" means the office of community corrections.
- (v) "RSAT" means residential substance abuse treatment.
- (w) "SSA" means the United States social security administration.
- (x) "SSA-SSI" means SSA supplemental security income.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director may grant exceptions to the hiring freeze when the state budget director believes that this hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 206. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 207. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house appropriations 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 appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 207a. (1) Before privatizing any services or activities currently provided by state employees in the department, the department shall submit to the senate and house appropriations committees a preprivatization cost-benefit analysis. This analysis shall utilize accurate, reliable, and objective data. Included in this analysis shall be a comparative estimate of the costs that will be incurred by this state over the life of the contract if 1 or both of the following occur:

- (a) The service or activity continues to be provided by state employees.
- (b) The service or activity is privatized. The costs of privatizing these services shall include the costs of all necessary monitoring and oversight of the private entity by this state. These private entities shall be adequately bonded, so as not to expose the state to any potential future liability or legal causes of action.

(2) The department shall not commence any efforts to privatize the services or activities currently provided by state employees under part 1 until the cost-benefit analysis prescribed by subsection (1) has been sent to both the senate and house appropriations committees 14 days prior to the efforts to privatize and proves a cost savings of at least 5% of the costs of continuing to use state employees in providing the services or activities.

(3) A private contractor with a contract with this state that expends state or federal tax dollars shall have all records pertinent to state contracts, including all records detailing compliance with section 209, be subject to disclosure to the department or the department of management and budget.

(4) State employees shall be given the opportunity to bid on contracts that privatize services that are or were provided by state employees. If the contract is awarded to any state employee, he or she ceases being an employee of the state.

Sec. 208. The department shall use the Internet to fulfill the reporting requirements of this act. 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. There shall be at least 1 separate and distinct electronic file for each section that includes a reporting requirement.

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 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. (1) Pursuant to the provisions of civil service rules and regulations and applicable collective bargaining agreements, individuals seeking employment with the department shall submit to a controlled substance test. The test shall be administered by the department.

(2) Individuals seeking employment with the department who refuse to take a controlled substance test or who test positive for the illicit use of a controlled substance on such a test shall be denied employment.

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, public work programs, and services provided to units of government. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

Sec. 212. Preference should be given to purchasing produce from Michigan growers and processors when their produce is competitively priced and of comparable quality.

Sec. 213. By February 15, 2009, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a report detailing nongeneral fund/general purpose sources of revenue, including, but not limited to, federal revenues, state restricted revenues, local and private revenues, offender reimbursements and other payments, revolving funds, and 1-time sources of revenue, whether or not such revenues were appropriated. The report shall include statements detailing for each account the total amount of revenue received during fiscal year 2007-2008, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2007-2008, the account balance at the close of fiscal year 2007-2008, and the projected revenues and expenditures for fiscal year 2008-2009.

Sec. 214. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 215. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department of corrections technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 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, or both, 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions listed in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house standing committees on appropriations.

(3) Not later than January 1 of each year, 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 chairs and members of the senate and house 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. 217. 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 deprived and depressed communities for services, supplies, or both.

Sec. 218. It is the intent of the legislature that no expenditures for employee dry cleaning allowances be made or obligations to pay employee dry cleaning allowances be incurred for dry cleaning allowances in excess of the amounts authorized under collective bargaining contracts in effect from January 1, 2002 to December 31, 2004.

Sec. 219. Any contract for prisoner telephone services entered into after the effective date of this act shall include a condition that fee schedules for prisoner telephone calls, including rates and any surcharges other than those necessary to meet special equipment costs, be the same as fee schedules for calls placed from outside of correctional facilities.

Sec. 221. (1) The department shall report no later than April 1, 2009 on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year to the senate and house appropriations subcommittees on corrections, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used to adopt 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.

(3) 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. 222. 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. 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 this act 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 this act 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 this act 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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 224. By April 1, 2009, the department shall provide a litigation report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall identify all lawsuits adjudicated through the trial court phase in which the department or an employee acting on behalf of the department was a defendant and in which trial court proceedings resulted in a decision of \$1,000,000.00 or more against the department.

Sec. 225. (1) The department shall make every effort to place employees displaced by any reductions in force within other positions in the department.

(2) It is the intent of the legislature that employees displaced by any reductions in force who are not placed within other positions in the department be given priority in state programs for job retraining or education, such as the no worker left behind program.

Sec. 228. (1) Due to the importance of departmental employees in maintaining safe, secure, and efficient operations of the facilities, implementation of any reductions to the number of storekeepers or bidding out of prison store operations shall be suspended until a workgroup is convened to identify operational changes other than personnel reductions that result in full-year savings of at least \$1,205,400.00 to state general fund/general purpose appropriations that would otherwise be needed for prison store operations.



(2) The workgroup shall be convened by the department no later than October 1, 2008, and at a minimum shall include representatives of the department, storekeepers, and the chairs of the senate and house appropriations subcommittees on corrections.

(3) By October 1, 2008, the members of the workgroup shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director its recommendations for achieving the savings specified in subsection (1). It is the intent of the legislature to act upon workgroup recommendations that may require legislative action to realize the savings.

Sec. 229. (1) Due to the importance of departmental employees in maintaining safe, secure, and efficient operations of the facilities, the department shall convene a workgroup to identify operational changes other than personnel reductions that result in full-year savings of at least \$4,995,300.00 to state general fund/general purpose appropriations that would otherwise be needed for business office operations.

(2) The workgroup shall be convened by the department no later than October 1, 2008, and at a minimum shall include representatives of the department, business office personnel who would be affected by the proposed regionalization, and the chairs of the senate and house appropriations subcommittees on corrections.

(3) By October 1, 2008, the members of the workgroup shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director its recommendations for achieving the savings specified in subsection (1). It is the intent of the legislature to act upon workgroup recommendations that may require legislative action to realize the savings.

Sec. 230. (1) From the funds appropriated in part 1, the department shall contract with a state university for a study based on a representative random sample of county jail inmates. To the extent that such information would not conflict with state law on confidentiality for inmates included in the study, at a minimum, the study shall be sufficient to provide all of the information required by subsection (2). In the process of study design, development, and implementation, the department shall assure involvement of and consultation from counties, sheriffs, prosecutors, victims, and consumer, family, advocacy, provider, and professional groups concerned with mental health and justice issues. The methodological basis for the study shall include all of the following:

(a) Diagnostic clinical interviews with all of the inmates in the study.

(b) Reviews of the criminal history records of all of the inmates in the study.

(c) Reviews of the medical and mental health records of all of the inmates in the study, as available.

(2) By June 30, 2009, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the results and findings of the study, including, at a minimum, information on all of the following, to the extent that such information would not conflict with state law on confidentiality for the inmates included in the study:

(a) Study methodology, including information on the sample size and counties sampled.

(b) The proportion of county jail inmates with a primary diagnosis of mental illness, the proportion of inmates with a primary diagnosis of addiction disorder, and the proportion of inmates with a dual diagnosis of mental illness and addiction disorder.

(c) For each category of inmates listed in subdivision (b), all of the following information:

(i) The proportion considered to currently require treatment and the percentage in need of treatment who are currently receiving it. Information on inmates currently receiving treatment shall identify whether the inmates are receiving inpatient, residential, or outpatient treatment. Treatment information on inmates with a dual diagnosis shall identify whether inmates are receiving mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, or substance abuse outpatient treatment.

(ii) Data indicating how many inmates previously had been hospitalized in a state psychiatric hospital for persons with mental illness.

(iii) Data indicating whether and with what frequency inmates previously had been incarcerated in a jail or committed to the department of corrections.

(iv) Data indicating whether inmates previously had received services managed by a community mental health program or substance abuse coordinating agency.

Sec. 231. 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.

#### **EXECUTIVE**

Sec. 301. (1) 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.

(2) Information removed from the offender tracking information system due to the expiration of 3 years following release of an offender from the department's jurisdiction shall be retained by the department and maintained in a password-protected archive. Information in the archive shall be made available upon payment of a fee as determined by the department. Revenue collected under this section is appropriated for the costs of the offender tracking information system, and any revenue collected in excess of the costs of maintaining the offender tracking information system is appropriated for information technology costs. The department shall report quarterly on January 1, April 1, July 1, and September 30 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the fees charged and revenue collected under this section.

Sec. 302. A report on the mental health study required under section 302 of 2007 PA 124, together with any recommendations contained in the study and response from the department, shall be provided to the members of the senate and house appropriations subcommittees on corrections and community health, the senate and house fiscal agencies, MDCH, and the state budget director no later than 30 days after the receipt of the completed study. The report shall include all of the information specified in section 302(2)(a) to (j) of 2007 PA 124. The report also shall include a plan by the department to implement those recommendations with which it agrees and an explanation of any disagreements with recommendations. It is the intent of the legislature to review the department's implementation plan and, in coordination with the department, to identify funds with which to implement the plan, as appropriate.

Sec. 303. It is the intent of the legislature that the quantity of database systems in use by the department be optimal for efficient data usage and communications. The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of the plan to implement secure, encrypted, Internet-based database systems that can electronically communicate with each other and with other law-enforcement-related databases by September 30, 2009. The department shall provide the reports not more than 15 days after the end of each quarter.

Sec. 304. The director of the department shall develop a staff savings initiative program to invite employees to submit suggestions for saving costs for the department. The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the suggestions submitted under this section, the implementation plan for those suggestions with which the department agrees, and an explanation of any disagreements with suggestions.

#### **PLANNING AND COMMUNITY SUPPORT**

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates by February 1, 2009 to the senate and house appropriations subcommittees on corrections, 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. It is the intent of the legislature that the funds appropriated in part 1 for prisoner reintegration programs be expended for the purpose of reducing victimization by reducing offender recidivism through the following prisoner reintegration programming:

- (a) The provision of employment and job training.
- (b) The provision of assistance in acquiring the documents necessary to obtain a state identification card or operator's license.
- (c) The provision of housing assistance.
- (d) Referral to mental health services.
- (e) Referral to substance abuse services.
- (f) Referral to public health services.
- (g) Referral to education.
- (h) Referral to any other services necessary for successful reintegration.

Sec. 403. (1) By April 1, 2009, the department shall provide a report on prisoner reintegration programs to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. At a minimum, the report shall include all of the following information:

- (a) Allocations and projected expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider.
- (b) An explanation of the objectives and results measures for each program.
- (c) An explanation of how the programs will be evaluated.
- (d) A discussion of the evidence and research upon which each program is based.
- (e) A discussion and estimate of the impact of prisoner reintegration programs on reoffending and returns to prison.
- (f) A progress report on applicable results of each program, including, but not limited to, the estimated bed space impact of prisoner reintegration programs.

(2) The department shall provide quarterly reports on January 1, 2009, April 1, 2009, July 1, 2009, and September 30, 2009 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status and recidivism levels of offenders who participated in the MPRI and have been released. The data should be broken out by the controlling sentence for the following 4 offender types: drug, nonassaultive, assaultive, and sex.

(3) By September 30, 2009, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director a comparison of the overall recidivism rates and length of time prior to prison return of offenders who participated in the MPRI with those of offenders who did not. The report should disaggregate the information by each site in order to compare the practices and success rates of each site.

(4) The department shall include prisoners nearing their maximum sentence in the prison phases of the MPRI.

(5) The MPRI shall include programming on understanding conditions of parole, and each offender's transition accountability plan shall include a plan for following conditions of parole. The department shall ensure that each offender understands his or her conditions of parole prior to release from prison.

(6) The department shall provide biannual reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on parolees who participated in the MPRI and have tested positive for substance abuse in the previous 6 months. The report shall include any sanctions imposed by the department in response to the positive substance abuse test. Notwithstanding the reporting deadlines established in this subsection, the department shall monitor trends in substance abuse test results and any sanctions imposed for MPRI parolee participants and immediately notify the senate and house subcommittees on appropriations, the senate and house fiscal agencies, and the state budget director of any significant changes to those trends.

(7) The department shall provide biannual reports on December 1, 2008 and May 1, 2009 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on parolees who participated in the MPRI and have a diagnosis of mental illness or received mental health treatment while in prison. The report shall include the number of offenders successfully referred to the local community mental health agency, by county, and number of parolees participating in treatment for mental illness, by county.

(8) The department shall ensure that each prisoner develops a transition accountability plan at intake in order to successfully reenter the community after release from prison. Each prisoner's transition accountability plan shall be reviewed at least once each year to assure adequate progress. The department shall develop a plan to implement this section and shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the progress of the implementation of the plan.

Sec. 404. (1) The department shall screen and assess each prisoner for alcohol and other drug involvement to determine the need for further treatment. The assessment process shall be designed to identify the severity of alcohol and other drug addiction and determine the treatment plan, if appropriate.

(2) Subject to the availability of funding resources, the department shall provide substance abuse treatment to prisoners with priority given to those prisoners who are most in need of treatment and who can best benefit from program intervention based on the screening and assessment provided under subsection (1).

Sec. 405. (1) In expending residential substance abuse treatment services funds appropriated under this act, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) By April 1, 2009, 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 allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2007-2008 and projected for fiscal year 2008-2009. The report shall include, but not be limited to, an explanation of an anticipated year-end balance, the number of participants in substance abuse programs, and the number of offenders on waiting lists for residential substance abuse programs. Information required under this subsection shall, where possible, be separated by MDOC administrative region and by offender type, including, but not limited to, a distinction between prisoners, parolees, and probationers.

(3) By April 1, 2009, 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 substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender behavior and recidivism.

Sec. 405a. It is the intent of the legislature that the department work cooperatively with MDCH and substance abuse coordinating agencies in referring offenders as appropriate to intensive substance abuse services, including residential services, as provided by section 484 of Enrolled Senate Bill No. 1094 of the 2007-2008 legislative session.

Sec. 406. (1) By March 1, 2009, 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 standards developed under 2007 PA 124, including all of the following:

(a) The acceptable range or ranges for administrative costs.

(b) How local program results are to be reported and quantified.

(c) The acceptable range or ranges for per-participant expenditures.

(d) Procedures for referral and follow-up by the department on the status of referrals to substance abuse treatment, health care, and mental health treatment.

(e) Any other standards developed by the department, consistent with good management practices and optimum program results.

(2) The report required under subsection (1) shall include information explaining how each standard is being implemented.

Sec. 407. (1) By August 1, 2009, the department shall place the 2008 statistical report on an Internet site. The statistical reports for 2005, 2006, and 2007 shall be placed on an Internet site by June 1, 2009. These statistical reports shall include, but not be limited to, the information as provided in the 2004 statistical report.

(2) It is the intent of the legislature that starting with calendar year 2009, the statistical report be placed on an Internet site within 6 months after the end of each calendar year.

Sec. 408. The department shall measure the recidivism rates of offenders using at least a 3-year period following their release from prison.

Sec. 409. The office of community corrections shall provide and coordinate the delivery and implementation of services in communities to facilitate successful offender reintegration into the community. Programs and services to be offered shall include, but are not limited to, technical assistance for comprehensive corrections plan development, new program start-up funding, program funding for those programs delivering services for eligible offenders in geographic areas identified by the office of community corrections as having a shortage of available services, technical assistance, referral services for education, employment services, and substance abuse and family counseling. As used in this act:

(a) "Alternative to incarceration in a state facility or jail" means a program that involves offenders who receive a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail based on historical local sentencing patterns or that amounts to a reduction in the length of sentence in a jail.

(b) "Goal" means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.

(c) "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.

(d) "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.

(e) "Offender target population" means felons or misdemeanants who would likely be sentenced to imprisonment in a state correctional facility or jail, who would not increase the risk to the public safety, who have not demonstrated a pattern of violent behavior, and who do not have criminal records that indicate a pattern of violent offenses.

(f) "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.

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 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 nonviolent offenders who would have otherwise received an active sentence, 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.

(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 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.

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. 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 the use of 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 MDCH for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders, including, but not limited to, probation and parole violators who are at risk of revocation.

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 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, number and percent statewide and by county, current year, and comparisons to the previous 3 years.

(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, and basic state-required jail data.

(2) The department is responsible for the collection, analysis, and reporting of state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide basic 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 felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for housing and custody of convicted felons 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 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.

(3) State reimbursement under this section for prisoner housing and custody expenses per diverted offender shall be \$43.50 per diem for up to a 1-year total.

(4) The department, the state budget office, the Michigan association of counties, and the Michigan sheriffs' association shall, if appropriate, recommend modification of the criteria for reimbursement contained in subsection (2) at meetings convened by the chairs of the house and senate appropriations subcommittees on corrections.

(5) The department shall reimburse counties for offenders in jail based upon the reimbursement eligibility criteria in place on the date the offender was originally sentenced for the reimbursable offense.

(6) 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. The department shall by October 15, 2008 distribute the documentation requirements to all counties.

Sec. 415. (1) As a condition of receipt of the funds appropriated in part 1 for community corrections plans and services and residential services, the department shall only award those funds requested under a properly prepared and approved comprehensive corrections plan submitted under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, or directly applied for under section 10 of the community corrections act, 1988 PA 511, MCL 791.410.

(2) The department shall only halt funding for an entity funded under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, in instances of substantial noncompliance during the period covered by the plan.

Sec. 416. (1) Funds included in part 1 for the felony drunk driver jail reduction and community treatment program are appropriated for and may be expended for any of the following purposes:

(a) To increase availability of treatment options to reduce drunk driving and drunk driving-related deaths by addressing the alcohol addiction of felony drunk drivers who otherwise likely would be sentenced to jail or a combination of jail and other sanctions.

(b) To divert from jail sentences or to reduce the length of jail sentences for felony drunk drivers who otherwise would have been sentenced to jail and whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have upper limits of 18 months or less, through funding programs that may be used in lieu of incarceration and that increase the likelihood of rehabilitation.

(c) To provide a policy and funding framework to make additional jail space available for housing convicted felons whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have lower limits of 12 months or less and who likely otherwise would be sentenced to prison, with the aim of enabling counties to meet or exceed amounts received through the county jail reimbursement program during fiscal year 2002-2003 and reducing the numbers of felons sentenced to prison.

(2) Expenditure of funds included in part 1 for the felony drunk driver jail reduction and community treatment program shall be by grant awards consistent with standards developed by a committee of the state community corrections advisory board. The chairperson of the committee shall be the board member representing county sheriffs. Remaining members of the committee shall be appointed by the chairperson of the board.

(3) In developing annual standards, the committee shall consult with interested agencies and associations. Standards developed by the committee shall include application criteria, performance objectives and measures, funding allocations, and allowable uses of the funds, consistent with the purposes specified in this section.

(4) Allowable uses of the funds 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.

(5) The standards developed by the committee shall assign each county a maximum funding allocation based on the amount the county received under the county jail reimbursement program in fiscal year 2001-2002 for housing felony drunk drivers whose recommended minimum sentence ranges under the sentencing guidelines described in subsection (1)(c) had upper limits of 18 months or less.

(6) Awards of funding under this section shall be provided consistent with the local comprehensive corrections plans developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414. Funds awarded under this section may be used in conjunction with funds awarded under grant programs established under that act. Due to the need for felony drunk drivers to be transitioned from county jails to community treatment services, it is the intent of the legislature that local units of government utilize funds received under this section to support county sheriff departments.

(7) As used in this section, "felony drunk driver" means a felon convicted of operating a motor vehicle under the influence of intoxicating liquor or a controlled substance, or both, third or subsequent offense, under section 625(9)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.625, or its predecessor statute, punishable as a felony.

Sec. 417. (1) By April 1, 2009, the department shall report to the members of the senate and house appropriations subcommittees on corrections, 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) The alternatives to prison jail and treatment programs.
- (d) 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 under subsection (1) shall include information on each of the following:

- (a) Program objectives and outcome measures.
- (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 ensure that each prisoner make all reasonable efforts to obtain the documents necessary to obtain a state operator's license or state identification card prior to a prisoner's discharge or parole hearing. The process for prisoners to acquire this documentation shall be part of the department's operating procedure.

(2) The department shall cooperate with MDCH to maintain a process by which prisoners can obtain their birth certificates. By April 1, 2009, 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 process developed under this section.

Sec. 419. (1) The department shall provide weekly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner, parolee, and probationer populations by facility, and prison capacities.

(2) The department shall provide monthly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. By November 1, 2008, the department shall

provide monthly reports for March 2006 through September 2007. 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) Parole board activity, including the numbers and percentages of parole grants and parole denials.
- (f) 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.
- (g) 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. 420. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house judiciary committees, the senate and house fiscal agencies, and the state budget director on the status of the department's response to the fiscal year 2007-2008 performance audits by the office of the auditor general on the department's staffing, health care services, food service and prisoner transportation, mental health care services, and pharmaceuticals. The department shall provide the reports within 30 days after each audit's official release date.

Sec. 421. Of the funds appropriated in part 1, \$100,000.00 is appropriated for the purpose of providing an interdepartmental grant to the Michigan state police for the purpose of providing grants for training teams of law enforcement officers and mental health treatment providers. The teams shall be trained in effective and safe ways of assisting people with mental illness during law enforcement contacts and directing people with mental illness to treatment programs. It is the intent of the legislature that mental health awareness training be incorporated into continuing education for all law enforcement officers in the state.

Sec. 422. It is the intent of the legislature that MPRI programs become standard operating procedure in the department by the end of fiscal year 2008-2009.

Sec. 423. (1) The department shall design and implement a pilot project that has as its goal the reduction of criminal behavior and of returns to prison of female technical parole violators. The pilot project shall be of a design that is based on evidence-based practices proven in other jurisdictions to reduce criminal behavior.

(2) By May 1, 2009, 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 extent to which the program described in subsection (1) has been successful, as evidenced by a reduction in the number of female technical parole violator returns to prison compared to prior year returns, and the extent to which any of the parolees enrolled in the pilot project have either been convicted of new offenses or have new pending charges upon return compared to paroles with similar characteristics.

#### **OPERATIONS AND SUPPORT 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. Funds appropriated in part 1 for administrative hearings officers are appropriated as an interdepartmental grant to the department of labor and economic growth for the purpose of funding administrative hearings officers for adjudication of grievances pertaining to the department of corrections. The department shall not expend appropriations from part 1 to satisfy charges from the department of labor and economic growth for administrative hearings officers in excess of the amount expressly appropriated by this act for the administrative hearings officers unless funding is transferred into this line under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 504. Of the funds appropriated in part 1, \$50,000.00 is appropriated to provide an interdepartmental grant to the judiciary for use of the judicial data warehouse by department employees.

Sec. 505. The department shall train 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.

**FIELD OPERATIONS ADMINISTRATION**

Sec. 601. 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 results of the audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by February 15, 2009.

Sec. 602. (1) Of the amount appropriated in part 1 for field operations, a sufficient amount shall be allocated for the community service work program and shall be used for salaries and wages and fringe benefit costs of community service coordinators employed by the department to supervise offenders participating in work crew assignments. Funds shall also be used to cover motor transport division rates on state vehicles used to transport offenders to community service work project sites.

(2) The community service work program shall provide offenders with community service work of tangible benefit to a community while fulfilling court-ordered community service work sanctions and other postconviction obligations.

(3) As used in this section, "community service work" means work performed by an offender in an unpaid position with a nonprofit or tax-supported or government agency for a specified number of hours of work or service within a given time period.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the electronic tether 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 community tether program reimbursement for the electronic tether 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 community tether program to be administered by the department. The community tether program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's electronic tether program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the tether 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 tether equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for tether 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 tether charges outstanding over 60 days shall be considered in violation of the community tether program agreement and lose access to the program.

Sec. 604. Community-placement prisoners and parolees shall reimburse the department for the total costs of the program. As an alternative method of payment, the department may develop a community service work schedule for those individuals unable to meet reimbursement requirements established by the department.

Sec. 605. (1) Of the funds appropriated in part 1, \$980,000.00 is appropriated to provide an interdepartmental grant to the judiciary. The funds shall be utilized by the state court administrative office to administer a pilot program targeting nondangerous offenders who are at significant risk of committing additional crimes. The pilot program shall include assessment, treatment, and accountability, with the goal of reducing expenditures for long-term incarceration.

(2) The department shall participate in the pilot program described in subsection (1). The circuit judge assigned to each pilot project site shall select 1 or more circuit court probation officers to supervise the caseload of the circuit court project. Although the probation officer shall remain an employee of the department, he or she shall report directly to the circuit judge.

(3) The Michigan judicial institute shall provide appropriate training for all personnel involved in the pilot program described in this section.

Sec. 606. It is the intent of the legislature that the department shall ensure that parolees and probationers may timely contact their parole or probation agents and maintain procedures that preclude any necessity for an offender to have access to an agent's home telephone number or other personal information pertaining to the agent.

Sec. 607. By March 1, 2009, 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 a statewide workload study of parole or probation agent supervisors and parole or probation agent managers. The study shall assess the ability of the supervisors and managers to carry a caseload of parolees, probationers, or both, in addition to completing their professional duties as supervisors and managers.

Sec. 608. By April 1, 2009, 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 use of GPS electronic monitoring. At a minimum, the report shall include all of the following:

(a) Details on the failure rate of parolees for whom GPS tether is utilized, including the number and rate of parolee technical violations, including specifying failures due to committing a new crime that is uncharged but leads to parole termination, and the number and rate of parolee violators with new sentences.



(b) Information on the factors considered in determining whether an offender is placed on active GPS tether, passive GPS tether, radio frequency tether, or some combination of these or other types of electronic monitoring.

(c) Monthly data on the number of offenders on active GPS tether, passive GPS tether, radio frequency tether, and any other type of tether.

Sec. 609. By April 1, 2009, 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 use of kiosk reporting stations. At a minimum, the report shall include all of the following:

(a) Factors considered in determining whether an offender is assigned to report at a kiosk.

(b) Information on the location, costs, safety features, and other features of kiosks used for offender reporting.

(c) Information on pilot program outcome measures.

(d) An evaluation of the kiosk reporting pilot program, including any need for improvement and an assessment of the potential for expanded use of kiosk reporting stations.

Sec. 611. The department shall prepare by April 1, 2009 individual reports for the community re-entry program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate 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 re-entry 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) To the extent policies or programs described in subsection (1) are used, developed, or contracted for, the department may request that funds appropriated in part 1 be transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for their operation.

(3) The department shall continue to utilize parole violator processing guidelines that require parole agents to utilize all available appropriate community-based, nonincarcerative postrelease sanctions and services when appropriate. The department shall periodically evaluate such guidelines for modification, in response to emerging information from the pilot projects for substance abuse treatment provided under this act and applicable provisions of prior budget acts for the department.

(4) The department shall provide monthly reports to the senate and house appropriations subcommittees on corrections, 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 calendar quarter. The reports shall include the following information each for probationers, parolees after their first parole, and 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 GED or high school diploma prior to incarceration in prison, how many received a GED while in prison, and how many received a vocational certificate while in prison.

(d) The number of offenders who participated in the MPRI 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.

**CONSENT DECREES**

Sec. 701. Funding appropriated in part 1 for consent decree line items is appropriated into separate control accounts created for each line item. Funding in each control account shall be distributed as necessary into separate accounts created for the purpose of separately identifying costs and expenditures associated with each consent decree.

**HEALTH CARE**

Sec. 801. The department shall not expend funds appropriated under part 1 for any surgery, procedure, or treatment to provide or maintain a prisoner's sex change unless it is determined medically necessary by the chief medical officer of the department.

Sec. 802. (1) 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 senate and house fiscal agencies, and the state budget director with all of the following:

(a) Quarterly reports on physical and mental health care detailing the average number of days between a prisoner's diagnosis and commencement of treatment for that diagnosis, 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.

(b) Regular updates on progress on requests for proposals and requests for information pertaining to prisoner health care and mental health care, until the applicable contract is approved.

(2) It is the intent of the legislature that, in the interest of providing the most efficient and cost-effective delivery of health care, local health care providers shall be considered and given the opportunity to competitively bid as vendors under future managed care contracts.

Sec. 804. (1) The department shall report quarterly to the senate and house appropriations subcommittees on corrections, 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, and emergency room visits in the previous quarter and since October 1, 2008, by facility.

(2) By April 1, 2009, 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 prisoners receiving off-site inpatient medical care that would have received care in a state correctional facility if beds were available. The report shall include the number of prisoners receiving off-site inpatient medical care and average length of stay in an off-site facility during the period they would have received care in a state correctional facility if beds were available, by month and correctional facilities administration region.

Sec. 805. The bureau of health care services shall develop information on Hepatitis C and HIV prevention and the risks associated with exposure to Hepatitis C and HIV. The health care providers shall disseminate this information verbally and in writing to each prisoner at the health screening and full health appraisal conducted at admissions, at the annual health care screening 30 days before or after a prisoner's birthday, and prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence.

Sec. 806. (1) From the funds appropriated in part 1, the department shall require a Hepatitis C antibody test and an HIV test for each prisoner prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall require an HIV test and a Hepatitis C risk factor screening for each prisoner at the health screening at admissions. If Hepatitis C risk factors are identified, the department shall offer the prisoner a Hepatitis C antibody test. An explanation of results of the tests shall be provided confidentially to the prisoner, and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention.

(2) By March 1, 2009, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the number of offenders tested and the number of offenders testing positive for HIV, the Hepatitis C antibody, or both at prison admission and parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall keep records of those offenders testing positive for HIV, the Hepatitis C antibody, or both at prison admission, parole, transfer to community residential placement, and discharge. These records shall clearly state the date each test was performed.

(3) As a condition of expenditure of the funds appropriated in part 1, the department shall keep records of the following:

(a) The number of offenders testing positive for the Hepatitis C antibody who do not receive treatment, by reason for not participating.

(b) The number of offenders achieving a sustained viral response from Hepatitis C treatment.

(c) Cost and duration of treatment by offender.

Sec. 807. The department shall ensure that all medications for a prisoner be transported with that prisoner when the prisoner is transferred from 1 correctional facility to another. Prisoners being released shall be provided with a supply of medication to allow for continuity of care in the community.

Sec. 808. There are sufficient funds and FTEs appropriated in part 1 to provide a full complement of nurses for clinical complexes working regular pay hours, and it is the intent of the legislature that sufficient nurses be hired or retained to limit the use of overtime other-than-holiday pay.

Sec. 809. The department, in conjunction with efforts to implement the MPRI, shall cooperate with the MDCH to share data and information as they relate to prisoners being released who are HIV positive or positive for the Hepatitis C antibody. By April 1, 2009, 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 all of the following:

(a) Programs and the location of programs implemented as a result of the work under this section.

(b) The number of prisoners released to the community by parole, discharge on the maximum sentence, or transfer to community residential placement who are HIV positive, positive for the Hepatitis C antibody, or both.

(c) The number of offenders successfully referred to the local public health department, by county.

Sec. 811. The department shall provide to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director a copy of the bureau of health care services quality assurance report not more than 1 week after its completion, but not later than September 30, 2009. The report shall include recommendations for quality improvements and a plan to implement those recommendations.

Sec. 812. (1) It is the intent of the legislature that the department continue to provide the department of human services with a monthly list of prisoners newly committed to the department of corrections. The department and the department of human services shall enter into an interagency agreement under which the department of human services provides the department of corrections with monthly lists of newly committed prisoners who are eligible for Medicaid benefits. 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 senate and house fiscal agencies, and the state budget director with regular updates on the utilization of Medicaid benefits for prisoners.

#### **CORRECTIONAL FACILITIES ADMINISTRATION**

Sec. 901. (1) The department shall make all department facilities and camps tobacco-free no later than March 1, 2009.

(2) By September 30, 2009, the department shall provide to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director a report on the impact of converting all facilities to tobacco-free status. At a minimum, the report shall include details on the department's efforts to provide tobacco cessation programs for prisoners and staff, and the impact on institutional safety and security of making all facilities tobacco-free.

Sec. 902. From the funds appropriated in part 1, the department shall allocate sufficient funds to develop a pilot children's visitation program. The pilot program shall teach parenting skills and arrange for day visitation at these facilities for parents and their children, except for the families of prisoners convicted of a crime involving criminal sexual conduct in which the victim was less than 18 years of age or involving child abuse.

Sec. 903. Except as otherwise provided in this section, the department shall prohibit prisoners' access to or use of the Internet or any similar system. Under adequate supervision and with security precautions that ensure appropriate computer use by prisoners, the department may allow a prisoner access to or use of the Internet for the purposes of educational programming, employment training, job searches, or other Internet-based programs and services consistent with programming objectives, efficient operations, and the safety and security of the institution.

Sec. 904. Any department employee who, in the course of his or her job, is determined by a physician to have had a potential exposure to the Hepatitis B virus, shall receive a Hepatitis B vaccination upon request.

Sec. 905. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted for elsewhere in this act. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

(2) Quarterly reports on all expenditures from the inmate housing fund shall be submitted by the department to the state budget director, the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies.

Sec. 906. (1) The department shall establish a uniform rate to be paid by public and private agencies that benefit from public work services provided by special alternative incarceration participants and prisoners.

(2) It is the intent of the legislature that to the degree consistent with public safety and the safety and security of the institutions, public works projects be continued at the level provided in 2006 PA 331.

(3) It is the intent of the legislature that public works fees be revised to halve the rates in effect on September 30, 2008.

(4) The department shall maintain a list of the number of prisoners available for public works crews at each department facility, and the number of prisoners necessary to fulfill current public works contracts at each department facility. The department shall place the list on a publicly accessible Internet site and update the list weekly.

Sec. 907. The department shall report monthly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on academic/vocational programs. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, 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 fail each program, the number of prisoners who do not complete each program 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 by reason, 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 not paroled at their earliest release date due to lack of a GED, and the reason the prisoners do not have their GED.
- (e) The number of prisoners paroled without a GED.
- (f) An explanation of the value and purpose of each program, e.g., to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.
- (g) An identification of program outcomes for each academic and vocational program.
- (h) An explanation of the department's plans for academic and vocational programs.

Sec. 908. (1) By February 1, 2009, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director, the percent of offenders included in the prison population intake for fiscal years 2006-2007 and 2007-2008 who have a high school diploma or a GED.

(2) By February 1, 2009, the department shall provide the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with statistical reports on the efficacy of both department-provided prison general education and vocational education programs in reducing offender recidivism rates. At a minimum, the report should compare the recidivism rates of the following groups of offenders:

- (a) Offenders who completed a GED while in prison and participated in the MPRI.
- (b) Offenders who completed a GED while in prison but did not participate in the MPRI.
- (c) Offenders who completed a vocational education program while in prison and participated in the MPRI.
- (d) Offenders who completed a vocational education program while in prison but did not participate in the MPRI.

Sec. 909. As a condition of expending funds appropriated for academic/vocational programs under part 1, the department shall by January 31, 2009 provide a plan to increase certification rates among prisoners enrolled in GED programs at correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on certification rates for the most recent 5-year period, a comparison with prisoner certification rates in other states and a national average, and details on how the department plans to improve certification rates.

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 to produce high-quality materials for use by the visually impaired.

Sec. 911. (1) From the appropriations in part 1, the department shall ensure that all prisoner activities shall include the presence of a sufficient number of correctional officers needed to maintain the safety and security of the institution.

(2) By February 1, 2009, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2008.

Sec. 912. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by April 1, 2009 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. The department shall develop and maintain a statewide waiting list for offenders referred for assessment for the assaultive offender program for parole eligibility and, if possible, shall transfer prisoners into facilities where assaultive offender programs are available in order to facilitate timely participation and completion prior to parole eligibility hearings. Nothing in this section should be deemed to make parole denial appealable in court.

Sec. 914. Funds appropriated in part 1 for transportation are appropriated for costs incurred by the department in transporting offenders. It is the intent of the legislature that costs of offender transportation be met through expenditure of the line item for transportation, and that any costs in excess of the amount expressly appropriated for transportation be met solely through transfers into that line item under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 915. Funds appropriated in part 1 for prison food service are appropriated for costs incurred by the department in providing food to prisoners, to department employees as provided by collective bargaining agreements, and to governmental agencies as provided by interagency agreements and contracts. It is the intent of the legislature that costs of prison food service be met through expenditure of the line item for prison food service, and that any costs in excess of the amount expressly appropriated for prison food service be met solely through transfers into that line item under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 917. From the funds appropriated in part 1, the department shall allocate sufficient funds to implement evidence-based pilot programs that change offenders' behaviors, values, beliefs, and attitudes toward victims and the community.

Sec. 918. Following receipt of an auditor general performance audit on offender transportation, the department, in conjunction with the department of management and budget, shall issue a request for information on the possible bidding of all offender transportation services. State employees shall be given the opportunity to respond to a request for information on offender transportation services. Any response to the request for information shall include an explanation of how savings of at least 5% over existing costs of offender transportation would be realized.

Sec. 919. Following receipt of an auditor general performance audit on prison food service, the department, in conjunction with the department of management and budget, shall issue a request for information on the possible bidding of all prison food service. State employees shall be given the opportunity to respond to a request for information on prison food service. Any response to the request for information shall include an explanation of how savings of at least 5% over existing costs of prison food service would be realized.

Sec. 920. The department shall make every effort to operate a garden or horticultural operation at each correctional facility, where practical, in order to provide food for correctional facilities and not-for-profit organizations.

Sec. 922. (1) It is the intent of the legislature that all prisoners work 40 hours per week in the correctional facility, as part of a public works crew or in private enterprise, or participate in vocational or training programs. Prisoners may be enrolled in GED or education programs in combination with employment. Prisoners not employed shall be enrolled in GED or other educational programs for not less than 20 hours per week. This section does not apply to prisoners classified in level V or administrative segregation.

(2) A prisoner who does not work his or her full assigned shift shall have his or her pay reduced accordingly for the time he or she did not work.

Sec. 923. The department shall cooperate with the department of education to evaluate the feasibility of local school districts providing education programming to targeted prisoners under the age of 20 who have not received a high school diploma. By June 1, 2009, 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 any plans or evaluations developed under this section.

Sec. 924. The department shall evaluate all prisoners at intake for substance abuse disorders, developmental disorders, and serious mental illness. Prisoners with serious mental illness shall not be confined in administrative segregation due to behavior that is symptomatic of serious mental illness. Under the supervision of a mental health professional, a prisoner with serious mental illness may be secluded in a therapeutic environment for the safety of the prisoner or others. A prisoner in seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in seclusion. As used in this section:

(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) "Serious mental illness" means that term as defined in section 100d(3) of the mental health code, 1974 PA 328, MCL 330.1100d.

Sec. 925. By March 1, 2009, 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 number of prisoners in administrative segregation between October 1, 2003 and September 30, 2008, and the number of prisoners in administrative segregation between October 1, 2003 and September 30, 2008 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. As used in this section:

(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) "Serious mental illness" means that term as defined in section 100d(3) of the mental health code, 1974 PA 328, MCL 330.1100d.

Sec. 926. (1) Except as otherwise provided by this section, the department shall impose a 10% surcharge on all items purchased by prisoners in state facilities. The 10% surcharge shall be separate from and in addition to any other surcharge or mark-up imposed on goods purchased by prisoners before the effective date of this section; the department may continue to mark up items as necessary to meet costs, fulfill the assumptions of part 1 regarding resident store revenue, and support prisoner benefit funds at the same level that existed prior to the effective date of this section.

(2) The following items shall be exempt from the 10% surcharge imposed under subsection (1):

(a) Mandatory health care products.

- (b) Over-the-counter personal care products.
- (c) Hygiene products.
- (d) Stationery.
- (e) Cosmetics.

(3) If the department enters into a contract or an interagency agreement for prison store operations, the department shall ensure that the contract or interagency agreement provides for prison store revenues sufficient to make available the amount of additional revenue that otherwise would have been generated under subsections (1) and (2).

(4) The department shall remit the total of the revenues generated or made available under this section quarterly to the state treasurer for deposit in the trooper recruit school fund created under section 819b of the Michigan vehicle code, 1949 PA 300, MCL 257.819. Funds generated under this section and designated for the trooper recruit school fund may be appropriated only for training new state police trooper recruits and may not be appropriated for any other purpose.

(5) The department shall increase the maximum amount, if any, of money or scrip that prisoners are allowed to spend, in accordance with this section.

(6) It is the intent of the legislature that the surcharge prescribed by this section be in effect for fiscal year 2008-2009 only, and that no such surcharge be imposed in succeeding fiscal years.

Sec. 927. It is the intent of the legislature that the department of corrections and the department of human services examine the potential of entering into an intergovernmental agreement to place up to 140 offenders less than 19 years of age who are committed to the department of corrections in the west wing of the Woodland center and in the Sequoyah center on the campus of the W.J. Maxey training school. The facilities shall be used to house offenders less than 19 years of age who are currently committed to the department of corrections.

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Alan L. Cropsey  
 Roger Kahn  
 Liz Brater  
 Conferees for the Senate

Alma Wheeler Smith  
 Doug Bennett  
 John Proos  
 Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsey moved that the rule be suspended.

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

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. 476**

**Yeas—35**

Allen	Cherry	Jacobs	Richardville
Anderson	Clark-Coleman	Jansen	Sanborn
Barcia	Cropsey	Jelinek	Schauer
Basham	Garcia	Kahn	Scott
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	

**Nays—2**

Clarke	Prusi
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**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

Senator Garcia submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 1097, entitled**

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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 make appropriations for the department of environmental quality for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	1,520.7	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 363,953,700</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		18,890,200
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 345,063,500</b>
Federal revenues:		
Total federal revenues.....		130,636,100
Special revenue funds:		
Total local revenues .....		0
Total private revenues.....		455,700
Total other state restricted revenues .....		169,559,900
State general fund/general purpose .....		\$ 44,411,800
<b>FUND SOURCE SUMMARY:</b>		
Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	1,520.7	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 363,953,700</b>

	For Fiscal Year Ending Sept. 30, 2009
Interdepartmental grant revenues:	
IDG-MDCH, local public health operations.....	\$ 10,472,500
IDG-MDSP .....	883,200
IDG, Michigan transportation fund .....	1,066,900
IDT, interdivisional charges.....	2,053,400
IDT, laboratory services .....	4,414,200
Total interdepartmental grants and intradepartmental transfers .....	18,890,200
ADJUSTED GROSS APPROPRIATION .....	\$ 345,063,500
Federal revenues:	
DHHS, federal .....	6,200
DHS, federal.....	3,293,800
DOC-NOAA, federal.....	3,779,400
DOD, federal .....	1,202,700
DOI, federal.....	595,300
EPA, multiple .....	121,758,700
Total federal revenues.....	130,636,100
Special revenue funds:	
Private funds.....	455,700
Total private revenues.....	455,700
Aboveground storage tank fees .....	363,200
Air emissions fees .....	9,344,200
Aquifer protection revolving fund.....	400,000
Campground fund.....	238,900
Clean Michigan initiative - administration.....	120,100
Clean Michigan initiative - clean water fund.....	4,615,800
Cleanup and redevelopment fund .....	12,428,500
Community pollution prevention fund .....	250,000
Environmental pollution prevention fund.....	944,400
Environmental protection fund .....	3,919,300
Environmental response fund .....	6,320,400
Fees and collections .....	446,500
Financial instruments.....	5,000,000
Great Lakes protection fund.....	1,605,800
Groundwater discharge permit fees.....	1,120,200
Hazardous materials transportation permit fund .....	219,700
Infrastructure construction fund .....	398,000
Laboratory data quality recognition fund.....	16,100
Land and water permit fees.....	1,057,600
Landfill maintenance trust fund .....	56,200
Medical waste emergency response fund .....	240,900
Metallic mining surveillance fee revenue.....	94,200
Mineral well regulatory fee revenue.....	172,500
Nonferrous metallic mineral surveillance.....	221,700
NPDES fees.....	3,378,100
Oil and gas regulatory fund.....	7,860,300
Orphan well fund.....	2,053,100
Public swimming pool fund .....	544,300
Public utility assessments.....	787,400
Public water supply fees.....	3,962,900
Publication revenue .....	120,700
Refined petroleum fund.....	30,724,700
Restricted funds.....	17,600,700
Retired engineers technical assistance fund .....	1,474,300
Revitalization revolving loan fund .....	84,600
Revolving loan revenue bonds.....	11,400,000



	For Fiscal Year Ending Sept. 30, 2009
Saginaw Bay and River restoration revenue.....	\$ 175,800
Sand extraction fee revenue.....	198,600
Scrap tire regulatory fund.....	5,852,000
Septage waste contingency fund .....	38,000
Septage waste program fund .....	722,000
Settlement funds.....	2,106,400
Sewage sludge land application fee.....	855,400
Small business pollution prevention revolving loan fund .....	108,200
Soil erosion and sedimentation control training fund .....	115,400
Solid waste program fees .....	4,014,400
Stormwater permit fees .....	2,814,900
Strategic water quality initiatives fund.....	10,000,000
Underground storage tank fees.....	2,134,300
Waste reduction fee revenue.....	3,909,900
Wastewater operator training fees .....	172,800
Water analysis fees .....	3,328,400
Water pollution control revolving fund .....	3,081,000
Water quality protection fund.....	100,000
Water use reporting fees.....	247,100
Total other state restricted revenues .....	169,559,900
State general fund/general purpose .....	\$ 44,411,800
<b>Sec. 102. EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	83.0
Unclassified salaries—6.0 FTE positions.....	\$ 587,600
Administrative hearings.....	446,400
Automated data processing.....	2,053,400
Central operations—58.0 FTE positions .....	5,272,300
Environmental ombudsman .....	250,000
Environmental support projects.....	5,000,000
Executive direction—18.0 FTE positions.....	2,316,100
Internal audit services.....	228,500
Office of the Great Lakes—7.0 FTE positions.....	1,053,200
Building occupancy charges.....	7,116,600
Rent - privately owned property.....	2,145,900
GROSS APPROPRIATION.....	\$ 26,470,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP .....	112,300
IDT, interdivisional charges.....	2,053,400
IDT, laboratory services .....	472,800
Federal revenues:	
DOC-NOAA, federal.....	22,600
DOI, federal.....	160,900
EPA, multiple .....	195,200
Special revenue funds:	
Financial instruments.....	5,000,000
Great Lakes protection fund.....	605,800
Restricted funds.....	12,394,500
Settlement funds.....	104,900
State general fund/general purpose .....	\$ 5,347,600
<b>Sec. 103. AIR QUALITY</b>	
Full-time equated classified positions .....	236.5
Air quality programs—236.5 FTE positions .....	\$ 26,092,000
GROSS APPROPRIATION.....	\$ 26,092,000

For Fiscal Year  
Ending Sept. 30,  
2009

Appropriated from:	
Federal revenues:	
DHS, federal.....	\$ 1,708,400
EPA, multiple .....	4,492,700
Special revenue funds:	
Air emissions fees .....	8,952,900
Environmental response fund .....	106,700
Fees and collections .....	301,600
Oil and gas regulatory fund.....	108,200
Refined petroleum fund.....	2,864,800
State general fund/general purpose .....	\$ 7,556,700

**Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES**

Full-time equated classified positions .....	175.0	
Program services and grant management—30.0 FTE positions.....		\$ 4,000,900
Laboratory services—60.0 FTE positions .....		7,045,800
Municipal assistance—37.0 FTE positions .....		5,323,900
Pollution prevention and technical assistance—48.0 FTE positions .....		5,017,200
Pollution prevention outreach.....		300,000
Retired engineers technical assistance program .....		1,474,300
GROSS APPROPRIATION .....		\$ 23,162,100

Appropriated from:

Interdepartmental grant revenues:	
IDT, laboratory services .....	3,790,500
Federal revenues:	
DOC-NOAA, federal.....	454,800
EPA, multiple .....	3,445,800
Special revenue funds:	
Private funds.....	300,000
Air emissions fees .....	391,300
Environmental protection fund .....	68,900
Environmental response fund .....	665,100
Laboratory data quality recognition fund.....	16,100
Public water supply fees.....	253,000
Retired engineers technical assistance fund .....	1,474,300
Revitalization revolving loan fund .....	84,600
Settlement funds.....	235,200
Small business pollution prevention revolving loan fund .....	108,200
Stormwater permit fees .....	95,900
Strategic water quality initiatives fund.....	400,000
Waste reduction fee revenue.....	3,835,000
Wastewater operator training fees .....	172,800
Water analysis fees .....	3,328,400
Water pollution control revolving fund .....	2,409,100
State general fund/general purpose .....	\$ 1,633,100

**Sec. 105. OFFICE OF GEOLOGICAL SURVEY**

Full-time equated classified positions .....	67.0	
Coal and sand dune management—2.0 FTE positions.....		\$ 627,000
Metallic mine reclamation—1.0 FTE positions.....		94,200
Mineral wells management—2.0 FTE positions .....		247,400
Nonferrous metallic mining—2.0 FTE positions .....		221,700
Orphan well—2.0 FTE positions.....		2,053,100
Services to oil and gas—58.0 FTE positions .....		7,509,500
GROSS APPROPRIATION .....		\$ 10,752,900

Appropriated from:

Federal revenues:	
DOI, federal.....	428,400

	For Fiscal Year Ending Sept. 30, 2009
Special revenue funds:	
Metallic mining surveillance fee revenue.....	\$ 94,200
Mineral well regulatory fee revenue.....	172,500
Nonferrous metallic mineral surveillance.....	221,700
Oil and gas regulatory fund.....	7,388,800
Orphan well fund.....	2,053,100
Publication revenue .....	120,700
Sand extraction fee revenue.....	198,600
State general fund/general purpose .....	\$ 74,900
<b>Sec. 106. LAND AND WATER MANAGEMENT</b>	
Full-time equated classified positions .....	121.0
Program direction—6.0 FTE positions.....	\$ 944,100
Field permitting and project assistance—72.0 FTE positions.....	7,549,600
Great Lakes shorelands—24.0 FTE positions .....	2,672,700
Water management—19.0 FTE positions .....	2,702,900
<b>GROSS APPROPRIATION</b> .....	\$ 13,869,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG, Michigan transportation fund .....	1,012,300
Federal revenues:	
DHS, federal.....	1,003,500
DOC-NOAA, federal.....	1,515,800
EPA, multiple .....	1,052,100
Special revenue funds:	
Land and water permit fees.....	705,100
State general fund/general purpose .....	\$ 8,580,500
<b>Sec. 107. REMEDIATION AND REDEVELOPMENT</b>	
Full-time equated classified positions .....	285.0
Contaminated site investigation, cleanup, and revitalization—225.0 FTE positions .....	\$ 23,005,400
Federal cleanup project management—60.0 FTE positions .....	8,411,400
Emergency cleanup actions .....	4,000,000
Refined petroleum product cleanup program .....	20,000,000
Environmental cleanup support .....	2,340,000
Superfund cleanup.....	4,000,000
<b>GROSS APPROPRIATION</b> .....	\$ 61,756,800
Appropriated from:	
Federal revenues:	
DHHS, federal.....	6,200
DOD, federal .....	1,174,500
EPA, multiple .....	8,403,500
Special revenue funds:	
Private funds.....	155,700
Cleanup and redevelopment fund.....	12,428,500
Environmental protection fund .....	3,850,400
Environmental response fund .....	5,248,000
Landfill maintenance trust fund .....	56,200
Refined petroleum fund.....	26,813,500
Settlement funds.....	1,516,300
State general fund/general purpose .....	\$ 2,104,000
<b>Sec. 108. WASTE AND HAZARDOUS MATERIALS</b>	
Full-time equated classified positions .....	173.0
Aboveground storage tank program—8.0 FTE positions .....	\$ 762,900
Hazardous waste management program—60.0 FTE positions .....	6,497,200
Low-level radioactive waste authority—2.0 FTE positions .....	787,400
Medical waste program—2.0 FTE positions .....	240,900

	For Fiscal Year Ending Sept. 30, 2009
Radiological protection program—12.0 FTE positions .....	\$ 1,423,100
Scrap tire regulatory program—11.0 FTE positions .....	1,066,800
Solid waste management program—45.0 FTE positions .....	4,587,700
Underground storage tank program—33.0 FTE positions.....	3,402,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 18,768,900</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP .....	742,900
Federal revenues:	
EPA, multiple .....	4,027,500
Special revenue funds:	
Aboveground storage tank fees .....	363,200
Environmental pollution prevention fund.....	944,400
Hazardous materials transportation permit fund .....	219,700
Medical waste emergency response fund .....	240,900
Public utility assessments .....	787,400
Scrap tire regulatory fund.....	1,066,800
Solid waste program fees .....	4,014,400
Underground storage tank fees .....	2,134,300
Waste reduction fee revenue.....	74,900
State general fund/general purpose .....	\$ 4,152,500
<b>Sec. 109. WATER</b>	
Full-time equated classified positions .....	358.2
Aquifer protection program .....	\$ 350,000
Aquifer protection and dispute resolution - IDG to Michigan department of agriculture .....	50,000
Drinking water and environmental health—120.0 FTE positions .....	16,176,600
Expedited water/wastewater permits—3.0 FTE positions .....	398,000
Fish contaminant monitoring.....	316,100
Groundwater discharge—22.0 FTE positions.....	2,968,900
NPDES nonstormwater program—98.2 FTE positions .....	11,023,900
Sewage sludge land application program—6.0 FTE positions.....	855,400
Surface water—102.0 FTE positions.....	15,204,500
Water withdrawal assessment program—7.0 FTE positions .....	895,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 48,238,400</b>
Appropriated from:	
Federal revenues:	
EPA, multiple .....	18,164,800
Special revenue funds:	
Aquifer protection revolving fund .....	400,000
Campground fund .....	238,900
Clean Michigan initiative - administration .....	120,100
Clean Michigan initiative - clean water fund .....	3,715,800
Environmental response fund .....	168,100
Fees and collections .....	144,900
Groundwater discharge permit fees .....	1,120,200
Infrastructure construction fund .....	398,000
Land and water permit fees .....	352,500
NPDES fees.....	3,378,100
Public swimming pool fund .....	544,300
Public water supply fees.....	2,309,900
Refined petroleum fund.....	962,700
Saginaw Bay and River restoration revenue.....	175,800
Septage waste contingency fund .....	38,000
Septage waste program fund .....	322,000
Sewage sludge land application fee.....	855,400
Soil erosion and sedimentation control training fund .....	115,400

	For Fiscal Year Ending Sept. 30, 2009
Stormwater permit fees .....	\$ 2,719,000
Water pollution control revolving fund .....	671,900
Water use reporting fees .....	247,100
State general fund/general purpose .....	\$ 11,075,500
<b>Sec. 110. CRIMINAL INVESTIGATIONS</b>	
Full-time equated classified positions ..... 22.0	
Environmental investigations—22.0 FTE positions .....	\$ 2,585,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,585,900</b>
Appropriated from:	
Federal revenues:	
DHS, federal .....	557,400
EPA, multiple .....	154,000
Special revenue funds:	
Environmental response fund .....	132,500
Oil and gas regulatory fund.....	363,300
Scrap tire regulatory fund.....	285,200
State general fund/general purpose .....	\$ 1,093,500
<b>Sec. 111. GRANTS</b>	
Coastal management grants .....	\$ 2,000,000
Federal - Great Lakes remedial action plan grants .....	700,000
Federal - nonpoint source water pollution grants.....	6,500,000
Grants to counties - air pollution .....	83,700
Radon grants.....	90,000
Water pollution control and drinking water revolving fund.....	85,202,400
Drinking water program grants .....	1,330,000
Great Lakes research and protection grants .....	1,000,000
Local health department operations.....	10,472,500
Noncommunity water grants.....	1,400,000
Pollution prevention local grants.....	250,000
Real-time water quality monitoring.....	250,000
Septage waste compliance grants .....	400,000
Scrap tire grants .....	4,500,000
Strategic water quality initiative loans .....	9,600,000
Village of Chesaning, water pollution control grant .....	900,000
Water quality protection grants .....	100,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 124,778,600</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, local public health operations.....	10,472,500
Federal revenues:	
DOC-NOAA, federal.....	1,700,000
EPA, multiple .....	80,463,000
Special revenue funds:	
Clean Michigan initiative - clean water fund.....	900,000
Community pollution prevention fund .....	250,000
Great Lakes protection fund.....	1,000,000
Public water supply fees.....	1,400,000
Refined petroleum fund.....	83,700
Revolving loan revenue bonds.....	11,400,000
Scrap tire regulatory fund.....	4,500,000
Septage waste program fund .....	400,000
Settlement funds.....	250,000
Strategic water quality initiatives fund.....	9,600,000
Water quality protection fund.....	100,000
State general fund/general purpose .....	\$ 2,259,400

	For Fiscal Year Ending Sept. 30, 2009
<b>Sec. 112. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 7,478,800
GROSS APPROPRIATION .....	\$ 7,478,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP .....	28,000
IDG, Michigan transportation fund .....	54,600
IDT, laboratory services .....	150,900
Federal revenues:	
DHS, federal .....	24,500
DOC-NOAA, federal .....	86,200
DOD, federal .....	28,200
DOI, federal .....	6,000
EPA, multiple .....	1,360,100
Special revenue funds:	
Restricted funds .....	5,206,200
State general fund/general purpose .....	\$ 534,100

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$213,971,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$5,200,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY  
GRANTS

Noncommunity water grants.....	\$ 1,400,000
Scrap tire grants .....	2,250,000
Septage waste compliance program .....	400,000
Village of Chesaning, water pollution control grant .....	900,000
Real-time water quality monitoring.....	250,000
TOTAL.....	\$ 5,200,000

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

Sec. 203. As used in this act:

- (a) "Department" means the department of environmental quality.
- (b) "DHHS" means the United States department of health and human services.
- (c) "DHS" means the United States department of homeland security.
- (d) "DOC" means the United States department of commerce.
- (e) "DOC-NOAA" means the DOC national oceanic and atmospheric administration.
- (f) "DOD" means the United States department of defense.
- (g) "DOI" means the United States department of interior.
- (h) "EPA" means the United States environmental protection agency.
- (i) "FTE" means full-time equated.
- (j) "IDG" means interdepartmental grant.
- (k) "IDT" means intradepartmental transfer.
- (l) "MDCH" means the Michigan department of community health.
- (m) "MDSP" means the Michigan department of state police.
- (n) "NPDES" means national pollutant discharge elimination system.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director shall grant exceptions to the hiring freeze described in subsection (1) when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 206. The department shall use the Internet to fulfill the reporting requirements of this act. 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. 207. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports. To the extent consistent with federal and state guidelines, the requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

Sec. 208. By February 15, 2009, the department shall provide the state budget director, the subcommittees on environmental quality of the senate and house appropriations committees, and the senate and house fiscal agencies with an annual report on restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2008 and September 30, 2009.

Sec. 209. (1) From funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant or loan or grant and loan programs administered by the department for the fiscal year ending September 30, 2009:

- (a) The name of each program.
- (b) The goals of the program, the criteria, eligibility, process, filing fees, nominating procedures, and deadlines for each program.
- (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
- (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
- (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.
- (f) The source of funds for each program, including the citation of pertinent authorizing acts.
- (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.
- (h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan.

(2) The reports required under this section shall be submitted to the state budget office, the senate and house appropriations committees, and the senate and house fiscal agencies by January 1, 2009.

Sec. 210. (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 sites that would qualify as brownfields that were 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. 211. (1) The department of environmental quality is authorized to 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 leaking underground storage tank cleanup program, and the refined petroleum product cleanup program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 2003 PA 173 and 2006 PA 343 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund and unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA 173, 2003 PA 237, and 2004 PA 350 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 506, 2001 PA 120, 2003 PA 173, 2003 PA 237, 2004 PA 309, 2004 PA 350, 2005 PA 11, 2006 PA 343, and 2007 PA 121 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, 2003 PA 171, and 2004 PA 350 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(6) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2005 PA 154 and 2007 PA 121 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

Sec. 212. Of the money appropriated from the environmental education fund in part 1, \$5,000.00 shall be allocated to Michigan State University Extension Service - 4-H Youth Programs to fund the Michigan Youth Conservation Council.

Sec. 213. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, 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 senate and house of representatives standing committees on appropriations, the senate and house 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. 216. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and 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 or operated by veterans, if they are competitively priced and of comparable quality.

Sec. 217. 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. 218. 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. 219. (1) The appropriation in section 102 includes \$12,394,500.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for selected line items in the executive operations and administrative support appropriation unit.

(2) The appropriation in section 112 includes \$5,206,200.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for the information technology appropriation.

(3) The department shall adopt a cost allocation plan for revenue sources supporting line items listed in sections 102 and 112.

(4) The department shall provide a report on or before October 31, 2008 to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies of the line item amounts and detailed revenue sources which support the restricted fund appropriations in sections 102 and 112.

Sec. 220. The department shall not take disciplinary action against an employee for communicating truthfully and factually with a member of the legislature or his or her staff.

Sec. 221. The department shall annually report and post on its website by December 31 to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies an accounting of all civil and criminal fine revenue collected during the previous fiscal year.

Sec. 223. (1) The department shall report no later than April 1, 2009 on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year. The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt 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.

(3) 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. 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 activities that the attorney general authorizes.

Sec. 225. (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 this act 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 this act 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 this act 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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 226. 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 the 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.

Sec. 227. By April 1, 2009, the department shall submit to the senate and house appropriations subcommittees on environmental quality, the senate and house fiscal agencies, and the state budget director a plan for replacement of failing or obsolete computer and database systems, including a schedule for system replacement and cost estimates.

Sec. 228. If funding is available to support the information technology necessary for implementation, the department shall develop, post, and maintain a user friendly and publicly accessible Internet site with all expenditures made by the department within a fiscal year. The posting shall include the purpose for which each expenditure is made.

Sec. 229. Semiannually, the department shall notify the senate and house appropriation subcommittees on environmental quality, the senate and house fiscal agencies, and the state budget director of all requests made of the department under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, during the previous 6 months.

Sec. 230. (1) It is the intent of the legislature that the department issue the necessary permits to construct a lake level control structure on Muskrat Lake in Clinton County for the purpose of restoring the water level to a level that allows use of the existing public boat dock.

(2) By February 1, 2009, the department shall notify the senate and house appropriation subcommittees on environmental quality, the senate and house fiscal agencies, and the state budget director of the status of the permits and the water level of Muskrat Lake.

Sec. 231. (1) The expenditure of the appropriation in part 1 for an environmental ombudsman is contingent upon enactment of legislation to create an environmental ombudsman in the legislative council.

(2) It is the intent of the legislature that the first issue addressed by the environmental ombudsman is investigation into citizen complaints regarding the wetlands program.

#### **ENVIRONMENTAL SCIENCE AND SERVICES**

Sec. 401. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

Sec. 402. By July 1, 2009, the department shall prepare and submit a report to the state budget director, the legislature, the chairs of the standing committees of the senate and house of representatives with primary responsibility for issues related to natural resources and the environment, and the chairs of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations for the department of environmental quality, outlining the implementation of the Great Lakes water quality bond provided for in part 197 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received for loans from the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

Sec. 403. (1) There is appropriated \$2,000,000.00 from the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a, to reimburse retailers for the cost of retrofitting existing reverse vending machines to accept Michigan-only returnable beverage containers. Funds may be carried forward into fiscal year 2009-2010 for this purpose if the total \$2,000,000.00 is not expended in fiscal year 2008-2009.

(2) For the fiscal year ending September 30, 2009, \$2,000,000.00 in the cleanup and redevelopment trust fund created in section 3e of 1976 IL 1, MCL 445.573e, is hereby appropriated and transferred to the environmental protection fund.

#### **OFFICE OF GEOLOGICAL SURVEY**

Sec. 501. It is the intent of the legislature that the office of geological survey continue its work with Western Michigan University's department of geosciences to maintain core samples at the Michigan basin core research laboratory as part of the Michigan geological repository for research and education at Western Michigan University and it is encouraged to explore new opportunities for mutually beneficial research and collaboration between the department and the university.

#### **REMEDATION AND REDEVELOPMENT**

Sec. 701. The unexpended funds appropriated in part 1 for emergency cleanup actions, the refined petroleum product cleanup program, and the environmental cleanup and redevelopment 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, 2013.

Sec. 702. From funds appropriated in part 1 for activities related to cleanup sites under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, the department shall incorporate into remedial action plans area-wide or site-specific cleanup criteria derived from peer-reviewed risk assessment based on bioavailability studies, site-specific human exposure data, and any other scientifically based risk assessment studies that are available and relevant. The department shall submit a report listing efforts made by the department to comply with this section. This report shall be provided to the house and senate appropriations subcommittees on environmental quality on or before January 1, 2009.

Sec. 703. The funds appropriated in part 1 for the refined petroleum product cleanup program shall be used to fund cleanup activities on the following sites:

<b>Site Name</b>	<b>County</b>
Phil's Sunoco	Alcona
Somers Inc.	Alcona
Laughing Whitefish Trading Post	Alger
Midway Resort Inc.	Alger
Fennville Feed Supply	Allegan
Bellaire Bay Mart	Antrim
Butch's Tackle & Marine	Antrim
Pickup Capitol of the North	Antrim
Res Wells Torch Lake Twp.	Antrim
Torch River Pit Stop	Antrim
Woodland Residential Wells	Barry
Lone Pine Party Store	Benzie
Res. Well Village of Honor	Benzie
Dave's Shell	Berrien
Frank's Pro Station	Berrien
Main & Fair, SW Corner	Berrien
Main & Ogden, NE Corner	Berrien
Schuler's Auto Repair	Berrien
Indian Lake Mini Super	Cass
Riggs Corner Store	Cass
Dockside Market	Charlevoix
Cook Corporation	Cheboygan
Mr. Mug's Donut Shop	Chippewa
Ackel's Car Care	Clinton
South End Mobil	Eaton
Farmers Petroleum Coop-Petoskey	Emmet
Central Distributing	Genesee
Fishermans Landing	Genesee
Flint, City of, 1818 N. Saginaw Street	Genesee
J&J Service Station	Genesee
Sunshine Foods #119 Burton	Genesee
Gazey Aleck Station	Gladwin
Winegars Trading Post	Gladwin
Evans Paint & Wallpaper	Grand Traverse
GJ's Party Store	Grand Traverse
Hoeflin Service Station	Grand Traverse
OTC Oil	Grand Traverse
Universal Car Wash II	Grand Traverse
Venture Investments	Grand Traverse
Woodland Shop and Go #175	Grand Traverse
Dunk's Garage	Huron
Port Austin Shell	Huron
Action Auto Inc.	Ingham
Former Clark #531	Ingham
Webberville Oil	Ingham
Gene Carr	Ionia
Goss Corner Store	Ionia
Justice Junction/Nancy Justice	Ionia
Barbier Oil Bulk Plant	Iosco
Bublitz Oil Full Service Oscoda	Iosco
Alamo General Store	Kalamazoo
McDonalds Crosstown Service	Kalamazoo
McLeieer Oil	Kalamazoo
Moore's Millwood Service	Kalamazoo
Davis Country Corners	Kalkaska

Taffletown Tavern	Kalkaska
Hucks Corner Inc.	Kent
Riverview, N Park, Hubbard St. area	Kent
Robinson Bulk Terminal	Kent
Uncle Lee's Trading Post/MRL Inc.	Kent
Bass Lake Store	Lake
Chase General Store	Lake
Lakeland Montessori School	Livingston
Leon Bonner Prop.	Livingston
Millies Market (dba Toms)	Livingston
Bob's Standard Service	Luce
Action Auto (Former)	Macomb
Montgomery Ward	Macomb
Arcadia Veteran's Mem. Marina	Manistee
Red Barn Market	Manistee
Greenwood Self Serve	Marquette
Harvey Oil Co. Inc.	Marquette
Joe & Son's Service	Marquette
Paton's Country Store	Marquette
Joes Tire Service/Ridderman Oil	Mecosta
Kregear's Service	Missaukee
The Landing	Missaukee
1034 Howard City Edmore Road	Montcalm
Amble Oil Co.	Montcalm
Beard Oil - Former	Montcalm
Blackrick Service	Montcalm
Six Lakes General	Montcalm
Thelma Franklin	Montcalm
Mary D's Restaurant	Montmorency
Pointe Bait	Montmorency
Sports Center, Inc.	Montmorency
Bill's Auto & Stereo	Muskegon
Kelly's Corner Inc.	Muskegon
Laketon Auto Clinic	Muskegon
MDNR Real Estate, White Cloud	Newaygo
Up North Gift Co.	Newaygo
415 E. Hudson Ave.	Oakland
Emma Milner Property	Oakland
Farmers Petroleum Corp., Highland	Oakland
Jenny Ent/Wine Basket, Highland	Oakland
Little Caesar's Pizza, Ortonville	Oakland
Wayne Oakland Oil Company	Oakland
East Hart Party Store	Oceana
William Crawford Property	Oceana
Al's Service	Ogemaw
Franklin Forge Co.	Ogemaw
MDNR Main St. Lupton	Ogemaw
Rose City Feed and Tack	Ogemaw
Oscelola Oil Company	Osceola
Family Book Shelf	Osceola
Jamestown Automotive Inc.	Ottawa
Big Mac's Market	Roscommon
Chapin General Store	Saginaw
Kuchers Service	Saginaw
Court Abandoned	Shiawassee
Former Sav-U Station	Shiawassee
Payless SuperAmerica	St. Joseph
Imlay City Gas and Oil	Tuscola
Lakeside Kwik Stop	Van Buren

A.S.E. Inc. dba S & S Shell	Washtenaw
Arbor Wash	Washtenaw
Cals Car Care Inc.	Wayne
Levan Party Store	Wayne
Mercury Manufacturing	Wayne
Reclamation Oil Company	Wayne
Warren & Lakewood Service	Wayne
Jacks Resort	Wexford
Peterson's Standard	Wexford
Village of Harrietta, 114 S. Doris St.	Wexford

Sec. 704. 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 as part of the resolution for the fiscal year 2006-2007 budget.

Sec. 705. (1) The department shall work with the legislature to develop recommendations through an advisory workgroup process for the appropriate use of administrative rules and operational memoranda in the leaking underground storage tank program. This advisory workgroup shall do all of the following:

(a) Review and make recommendations if operational memoranda used by the department are necessary and used appropriately.

(b) Review and make recommendations regarding the rules, methods, policies, or procedures used to develop operational memoranda.

(c) Review and make recommendations regarding procedures for determining if an inspected organization has acted in accordance with operational memoranda.

(2) The workgroup under subsection (1) shall consist of 13 members, appointed as follows:

(a) Members of the senate and house appropriations subcommittees on environmental quality.

(b) Three members appointed by the senate majority leader, 1 each representing an independent petroleum wholesale distributor-marketer trade association, a petroleum refiner-supplier trade association, and a service station dealers' trade association.

(c) Three members appointed by the speaker of the house, 1 each representing a truck stop operators' trade association, an environmental public interest organization who is not associated with any of the above organizations, and the largest general farm organization in the state.

(d) The director of the department.

(3) The recommendations of the workgroup shall be submitted to the department, the senate and house appropriations subcommittees on environmental quality, the senate and house fiscal agencies, and the state budget director by December 31, 2008.

Sec. 706. The department shall not expend funds appropriated in part 1 if using operational memoranda or other similar documents that are in draft form to impose regulations on individuals or businesses conducting environmental cleanup projects, except as provided in part 213 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.21301 to 324.21331, or when there is written consent between the department and the individual or business.

#### **WASTE AND HAZARDOUS MATERIALS**

Sec. 801. It is the intent of the legislature that the recommendations of the site review board, as established in section 11117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11117, are the final approval for each site construction permit application that is referred to the board by the department.

#### **WATER**

Sec. 901. By February 1, 2009, the department shall submit a report on the department's use of the national pollutant discharge elimination system fund created in MCL 324.3121 for the previous fiscal year, to the senate and house appropriations subcommittees on environmental quality, the standing committees of the legislature with jurisdiction over issues primarily related to natural resources and the environment, and the senate and house fiscal agencies. The report shall include a summary of how the appropriations in part 1 for NPDES nonstormwater program were used for the various permissible uses of the fund and shall include specific information on all of the following:

(a) The number of compliance and complaint inspections completed, by category, the number of on-site compliance inspections conducted, and the number of compliance inspections that were not announced in advance to the permittee or licensee.

(b) The number and percent of permit and license inspections that were found to be in significant noncompliance, by category.

(c) The number of administrative enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(d) The number of judicial enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(e) A listing of the supplemental environmental projects agreed to as a result of a consent agreement including all of the following: the case name, the monetary value of the supplemental environmental project, and a description of the project.

Sec. 902. The unexpended portion of funds appropriated in part 1 of 2004 PA 309 for the contaminated lake and river sediments cleanup program are appropriated for the same purpose for the fiscal year ending September 30, 2009.

Sec. 903. It is the intent of the legislature that the department continue federal support of the Michigan agriculture environmental assurance program and the work with small and medium livestock operations in the department of agriculture. Any reduction in the level of federal support from 319 funds shall be reduced proportionally from all programs that were supported by that federal grant in the fiscal year ending September 30, 2008.

#### **GRANTS**

Sec. 1101. 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. 1102. Of the funds appropriated in part 1 for scrap tire grants, \$100,000.00 shall be available for grants to communities to cover scrap tire fire suppression costs, provided owner liability bonds and other available funding sources have been exhausted.

Sec. 1103. (1) The appropriation in part 1 for real-time water quality monitoring is a grant to Macomb County and St. Clair County to support a real-time water quality monitoring program in the St. Clair watershed. By September 30, 2009, the grant recipients shall report to the department on the plan's implementation and the status of the project. The department shall forward the report to the state budget director, the senate and house appropriations subcommittees on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies.

(2) The funding appropriated in part 1 for real-time water quality monitoring is contingent upon both of the following:

(a) Submission by October 1, 2008 of a report by the grant recipient on the status of the project and use of prior funding provided by the state and other fund sources for this project.

(b) Submission by December 31, 2008 of a plan by the grant recipient for long-term funding of operation and maintenance of the real-time monitoring system for the Huron-Erie corridor. The funding plan shall not require state funds for more than 50% of total funding for the project and not more than \$250,000.00 annually.

Sec. 1104. The appropriation in part 1 for the village of Chesaning, water pollution control grant, shall be used only for pollution control activities pursuant to section 8807 of the natural resources and environmental protection act, 1994, PA 451, MCL 324.8807. A detailed work plan for these activities shall be provided by the grantee and approved by the department as part of the grant agreement with the department. The appropriation shall not be used for recreational or economic development activities. The grantee shall obtain all necessary state, federal, and local permits and authorizations, including, but not limited to, permits required under part 301 and part 315 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.301 to 324.30113 and 324.31501 to 324.31529.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Valde Garcia  
Alan L. Cropsey  
Liz Brater  
Conferees for the Senate

Doug Bennett  
John Espinoza  
John Proos  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,  
Senator Cropsey moved that the rule be suspended.

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

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. 477**

#### **Yeas—37**

Allen  
Anderson

Clark-Coleman  
Clarke

Jacobs  
Jansen

Prusi  
Richardville

Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

Senator McManus submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning  
**Senate Bill No. 1106, entitled**

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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 make appropriations for the department of natural resources for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF NATURAL RESOURCES**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	2,167.9	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 289,977,100</b>

	For Fiscal Year Ending Sept. 30, 2009
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 3,802,200
ADJUSTED GROSS APPROPRIATION .....	\$ 286,174,900
Federal revenues:	
Total federal revenues.....	51,702,100
Special revenue funds:	
Total local revenue .....	0
Total private revenues.....	4,745,000
Total other state restricted revenues .....	219,103,600
State general fund/general purpose .....	\$ 10,624,200
FUND SOURCE SUMMARY:	
Full-time equated unclassified positions..... 6.0	
Full-time equated classified positions ..... 2,167.9	
GROSS APPROPRIATION .....	\$ 289,977,100
Interdepartmental grant revenues:	
IDG, engineering services to work orders.....	1,972,100
IDG, land acquisition services to work orders.....	417,000
IDG, MacMullan conference center revenue.....	1,413,100
Total interdepartmental grants and intradepartmental transfers .....	3,802,200
ADJUSTED GROSS APPROPRIATION .....	\$ 286,174,900
Federal revenues:	
DAG, federal .....	13,352,700
DHS, federal.....	6,144,300
DHS, U.S. coast guard .....	1,293,000
DOC, federal .....	71,400
DOE, federal.....	1,000
DOI, federal.....	28,451,900
DOT, federal .....	2,100,000
EPA, federal.....	287,800
Total federal revenues.....	51,702,100
Special revenue funds:	
Private funds.....	4,745,000
Total private revenues.....	4,745,000
Aircraft fees.....	257,200
Cervidae licensing and inspection fees .....	165,100
Clean Michigan initiative fund.....	45,900
Commercial forest fund.....	53,000
Forest development fund .....	31,905,800
Forestland user charges .....	560,200
Forest recreation fund.....	1,422,000
Game and fish protection fund.....	64,513,700
Game and fish protection fund - deer habitat reserve.....	3,125,800
Game and fish protection fund - fisheries settlement .....	906,300
Game and fish protection fund - turkey permit fees .....	1,880,300
Game and fish protection fund - waterfowl fees.....	111,000
Game and fish - wildlife resource protection fund .....	1,649,300
Game and fish protection fund - youth hunting and fishing education and outreach fund.....	28,700
Land exchange facilitation fund .....	6,286,900
Marine safety fund .....	4,793,400
Michigan civilian conservation corps endowment fund .....	500,000
Michigan natural resources trust fund.....	2,641,600
Michigan state parks endowment fund.....	13,645,900
Michigan state waterways fund.....	24,559,000
Nongame wildlife fund.....	699,100
Off-road vehicle trail improvement fund.....	4,722,900
Park improvement fund .....	40,381,300
Recreation improvement fund .....	1,465,800



	For Fiscal Year Ending Sept. 30, 2009
Safety education fund.....	\$ 216,800
Shop fees .....	66,000
Snowmobile registration fee revenue .....	2,300,200
Snowmobile trail improvement fund .....	9,942,800
Sportsmen against hunger fund .....	257,600
Total other state restricted revenues .....	219,103,600
State general fund/general purpose .....	\$ 10,624,200
<b>Sec. 102. EXECUTIVE</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	64.3
Commission (including travel expense—per diem).....	\$ 91,100
Unclassified salaries—6.0 FTE positions .....	416,500
Communications—48.3 FTE positions.....	3,950,000
Executive direction—16.0 FTE positions.....	2,104,400
GROSS APPROPRIATION .....	\$ 6,562,000
Appropriated from:	
Special revenue funds:	
Forest development fund .....	301,500
Forestland user charges .....	2,100
Forest recreation fund.....	28,100
Game and fish protection fund .....	2,610,900
Game and fish protection fund - deer habitat reserve .....	38,100
Game and fish protection fund - turkey permit fees .....	16,100
Game and fish protection fund - waterfowl fees.....	900
Game and fish - wildlife resource protection fund .....	15,600
Game and fish protection fund - youth hunting and fishing education and outreach fund.....	28,700
Land exchange facilitation fund.....	65,500
Marine safety fund .....	30,100
Michigan natural resources trust fund.....	33,000
Michigan state parks endowment fund.....	134,900
Michigan state waterways fund.....	289,800
Nongame wildlife fund.....	7,000
Off-road vehicle trail improvement fund.....	24,400
Park improvement fund .....	2,242,200
Recreation improvement fund .....	9,300
Snowmobile registration fee revenue .....	2,900
Snowmobile trail improvement fund .....	47,700
State general fund/general purpose .....	\$ 633,200
<b>Sec. 103. ADMINISTRATIVE SERVICES</b>	
Full-time equated classified positions .....	53.5
Budget and support services—16.5 FTE positions .....	\$ 1,710,500
Financial services—23.0 FTE positions .....	2,568,600
Grants management—14.0 FTE positions.....	1,472,800
Internal audit services.....	490,100
GROSS APPROPRIATION .....	\$ 6,242,000
Appropriated from:	
Federal revenues:	
DOI, federal.....	317,200
Special revenue funds:	
Clean Michigan initiative fund.....	45,900
Forest development fund .....	1,001,100
Forest recreation fund.....	48,000
Game and fish protection fund .....	1,220,800
Game and fish protection fund - deer habitat reserve .....	66,500
Game and fish protection fund - turkey permit fees .....	33,800

	For Fiscal Year Ending Sept. 30, 2009
Game and fish protection fund - waterfowl fees .....	\$ 3,800
Game and fish - wildlife resource protection fund .....	35,100
Land exchange facilitation fund .....	90,400
Marine safety fund .....	174,000
Michigan natural resources trust fund .....	857,900
Michigan state parks endowment fund .....	204,100
Michigan state waterways fund .....	256,800
Nongame wildlife fund .....	23,700
Off-road vehicle trail improvement fund .....	83,100
Park improvement fund .....	753,600
Recreation improvement fund .....	21,000
Safety education fund .....	6,200
Snowmobile registration fee revenue .....	54,100
Snowmobile trail improvement fund .....	184,100
State general fund/general purpose .....	\$ 760,800
<b>Sec. 104. LAND AND FACILITIES</b>	
Full-time equated classified positions .....	134.2
Land and facilities—134.2 FTE positions .....	\$ 20,413,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 20,413,800</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, engineering services to work orders .....	1,972,100
IDG, land acquisition services to work orders .....	417,000
IDG, MacMullan conference center revenue .....	1,413,100
Special revenue funds:	
Forest development fund .....	1,925,000
Forestland user charges .....	13,600
Forest recreation fund .....	11,000
Game and fish protection fund .....	6,856,400
Game and fish protection fund - deer habitat reserve .....	198,100
Game and fish protection fund - turkey permit fees .....	77,300
Game and fish - wildlife resource protection fund .....	6,200
Land exchange facilitation fund .....	5,909,600
Marine safety fund .....	102,600
Michigan natural resources trust fund .....	5,900
Michigan state parks endowment fund .....	132,900
Michigan state waterways fund .....	266,500
Off-road vehicle trail improvement fund .....	24,000
Park improvement fund .....	504,900
Snowmobile registration fee revenue .....	40,100
Snowmobile trail improvement fund .....	78,900
State general fund/general purpose .....	\$ 458,600
<b>Sec. 105. DEPARTMENTAL OPERATION SUPPORT</b>	
Building occupancy charges .....	\$ 1,979,600
Rent - privately owned property .....	490,000
Gifts and bequests .....	500,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,969,600</b>
Appropriated from:	
Special revenue funds:	
Private funds .....	500,000
Forest development fund .....	593,700
Forest recreation fund .....	15,100
Game and fish protection fund .....	853,400
Game and fish protection fund - deer habitat reserve .....	20,100
Game and fish protection fund - turkey permit fees .....	19,200
Game and fish - wildlife resource protection fund .....	7,200

	For Fiscal Year Ending Sept. 30, 2009
Land exchange facilitation fund .....	\$ 72,500
Marine safety fund .....	32,600
Michigan natural resources trust fund .....	39,900
Michigan state parks endowment fund .....	204,300
Michigan state waterways fund .....	109,400
Park improvement fund .....	317,300
Snowmobile trail improvement fund .....	20,700
State general fund/general purpose .....	\$ 164,200
<b>Sec. 106. WILDLIFE MANAGEMENT</b>	
Full-time equated classified positions .....	213.0
Wildlife management—204.0 FTE positions .....	\$ 30,036,500
Natural resources heritage—9.0 FTE positions .....	1,270,100
State game and wildlife area maintenance .....	750,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 32,056,600</b>
Appropriated from:	
Federal revenues:	
DAG, federal .....	206,500
DOI, federal .....	13,631,900
EPA, federal .....	1,000
Special revenue funds:	
Private funds .....	114,600
Cervidae licensing and inspection fees .....	101,500
Forest development fund .....	63,400
Game and fish protection fund .....	10,579,300
Game and fish protection fund - deer habitat reserve .....	2,729,800
Game and fish protection fund - turkey permit fees .....	1,669,400
Game and fish protection fund - waterfowl fees .....	103,600
Nongame wildlife fund .....	635,200
Sportsmen against hunger fund .....	257,600
State general fund/general purpose .....	\$ 1,962,800
<b>Sec. 107. FISHERIES MANAGEMENT</b>	
Full-time equated classified positions .....	249.0
Aquatic resource mitigation—3.0 FTE positions .....	\$ 907,300
Fish production—64.0 FTE positions .....	8,877,900
Fisheries resource management—182.0 FTE positions .....	20,169,700
Water withdrawal assessment program .....	75,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 30,029,900</b>
Appropriated from:	
Federal revenues:	
DAG, federal .....	134,400
DOC, federal .....	53,400
DOE, federal .....	1,000
DOI, federal .....	9,911,700
EPA, federal .....	165,500
Special revenue funds:	
Private funds .....	116,700
Game and fish protection fund .....	18,665,900
Game and fish protection fund - fisheries settlement .....	906,300
State general fund/general purpose .....	\$ 75,000
<b>Sec. 108. PARKS AND RECREATION</b>	
Full-time equated classified positions .....	794.9
Michigan civilian conservation corps—3.0 FTE positions .....	\$ 500,000
Recreational boating—163.5 FTE positions .....	14,508,800
State parks—628.4 FTE positions .....	44,654,200
State parks improvement revenue bonds - debt service .....	1,138,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 60,801,700</b>

For Fiscal Year  
Ending Sept. 30,  
2009

Appropriated from:	
Federal revenues:	
EPA, federal.....	\$ 120,300
Special revenue funds:	
Private funds.....	363,900
Michigan civilian conservation corps endowment fund.....	500,000
Michigan state parks endowment fund.....	12,079,400
Michigan state waterways fund.....	14,508,800
Off-road vehicle trail improvement fund.....	243,100
Park improvement fund.....	32,986,200
State general fund/general purpose.....	\$ 0

**Sec. 109. FOREST, MINERAL, AND FIRE MANAGEMENT**

Full-time equated classified positions.....	395.0	
Adopt-a-forest program.....		\$ 25,000
Cooperative resource programs—12.0 FTE positions.....		2,283,400
Forest and timber treatments—125.0 FTE positions.....		15,423,900
Forest fire equipment.....		500,000
Wildfire protection—135.0 FTE positions.....		11,268,600
Forest management initiatives—10.0 FTE positions.....		838,500
Forest management planning—40.0 FTE positions.....		4,018,100
Forest recreation—50.0 FTE positions.....		4,769,300
Minerals management—23.0 FTE positions.....		2,526,100
<b>GROSS APPROPRIATION.....</b>		<b>\$ 41,652,900</b>

Appropriated from:

Federal revenues:	
DAG, federal.....	2,386,800
DHS, federal.....	250,000
DOI, federal.....	2,000
EPA, federal.....	1,000
Special revenue funds:	
Private funds.....	925,100
Aircraft fees.....	257,200
Commercial forest fund.....	48,100
Forest development fund.....	25,270,500
Forestland user charges.....	528,300
Forest recreation fund.....	1,217,700
Game and fish protection fund.....	1,707,100
Michigan natural resources trust fund.....	1,248,500
Michigan state parks endowment fund.....	566,000
Michigan state waterways fund.....	387,000
Off-road vehicle trail improvement fund.....	664,800
Recreation improvement fund.....	324,100
Shop fees.....	66,000
Snowmobile trail improvement fund.....	1,524,100
State general fund/general purpose.....	\$ 4,278,600

**Sec. 110. LAW ENFORCEMENT**

Full-time equated classified positions.....	264.0	
General law enforcement—264.0 FTE positions.....		\$ 31,846,600
<b>GROSS APPROPRIATION.....</b>		<b>\$ 31,846,600</b>

Appropriated from:

Federal revenues:	
DHS, federal.....	4,424,300
DOC, federal.....	18,000
DOI, federal.....	1,472,200

	For Fiscal Year Ending Sept. 30, 2009
Special revenue funds:	
Private funds.....	\$ 74,700
Cervidae licensing and inspection fees .....	63,600
Forest recreation fund.....	59,600
Game and fish protection fund.....	18,736,500
Game and fish - wildlife resource protection fund .....	1,529,700
Marine safety fund .....	1,575,800
Off-road vehicle trail improvement fund.....	1,221,800
Park improvement fund .....	59,600
Safety education fund.....	60,600
Snowmobile registration fee revenue .....	1,015,600
State general fund/general purpose .....	\$ 1,534,600
<b>Sec. 111. GRANTS</b>	
Federal - clean vessel act grants .....	\$ 400,000
Federal - forest stewardship grants.....	3,125,000
Federal - land and water conservation fund payments.....	2,566,900
Federal - rural community fire protection.....	300,000
Federal - urban forestry grants .....	4,000,000
Grants to communities - federal oil, gas, and timber payments .....	3,450,000
National recreational trails .....	2,150,000
Accessibility grants .....	1,000,000
Game and nongame wildlife fund grants .....	10,000
Grant to counties - marine safety .....	4,275,000
Inland fisheries resources grants .....	200,000
Off-road vehicle safety training grants.....	150,000
Off-road vehicle trail improvement grants .....	2,454,000
Recreation improvement fund grants.....	1,100,000
Snowmobile law enforcement grants.....	1,142,000
Snowmobile local grants program.....	8,014,000
GROSS APPROPRIATION .....	\$ 34,336,900
Appropriated from:	
Federal revenues:	
DAG, federal .....	10,625,000
DHS, federal.....	1,470,000
DOI, federal.....	3,116,900
DOT, federal .....	2,100,000
Special revenue funds:	
Private funds.....	1,150,000
Game and fish protection fund.....	200,000
Marine safety fund .....	2,805,000
Nongame wildlife fund.....	10,000
Off-road vehicle trail improvement fund.....	2,454,000
Recreation improvement fund .....	1,100,000
Safety education fund.....	150,000
Snowmobile registration fee revenue .....	1,142,000
Snowmobile trail improvement fund.....	8,014,000
State general fund/general purpose .....	\$ 0
<b>Sec. 112. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 8,872,100
GROSS APPROPRIATION .....	\$ 8,872,100
Appropriated from:	
Special revenue funds:	
Commercial forest fund.....	4,900
Forest development fund .....	1,450,600
Forestland user charges .....	16,200

	For Fiscal Year Ending Sept. 30, 2009
Forest recreation fund.....	\$ 42,500
Game and fish protection fund.....	3,083,400
Game and fish protection fund - deer habitat reserve.....	73,200
Game and fish protection fund - turkey permit fees.....	64,500
Game and fish protection fund - waterfowl fees.....	2,700
Game and fish - wildlife resource protection fund.....	55,500
Land exchange facilitation fund.....	148,900
Marine safety fund.....	73,300
Michigan natural resources trust fund.....	456,400
Michigan state parks endowment fund.....	324,300
Michigan state waterways fund.....	640,700
Nongame wildlife fund.....	23,200
Off-road vehicle trail improvement fund.....	7,700
Park improvement fund.....	1,517,500
Recreation improvement fund.....	11,400
Snowmobile registration fee revenue.....	45,500
Snowmobile trail improvement fund.....	73,300
State general fund/general purpose.....	\$ 756,400
<b>Sec. 113. CAPITAL OUTLAY</b>	
<b>(1) STATE PARK AND FOREST AREA IMPROVEMENTS</b>	
State parks repair and maintenance.....	\$ 3,500,000
Forest roads, bridges, and facilities.....	1,300,000
GROSS APPROPRIATION.....	\$ 4,800,000
Appropriated from:	
Special revenue funds:	
Private funds.....	1,500,000
Forest development fund.....	1,300,000
Park improvement fund.....	2,000,000
State general fund/general purpose.....	\$ 0
<b>(2) WATERWAYS BOATING PROGRAM</b>	
Infrastructure improvements - state projects.....	\$ 4,293,000
Infrastructure improvements - local projects.....	900,000
Land acquisition.....	1,000,000
Boating program, state boating access projects:	
Port Austin, Huron County, site improvements (total authorized cost \$500,000, state share \$500,000).....	500,000
Boating program, harbors and docks, state facilities:	
Mackinaw City, Cheboygan County, new marina, state dock, phase V (total cost authorized cost is increased from \$11,775,000 to \$12,075,000; state share is increased from \$11,775,000 to \$12,075,000).....	300,000
Boating program, harbors and docks, local facilities:	
Metro beach metropark, Macomb County, dock replacements, utility and seawall upgrades (total authorized cost \$4,800,000; state share \$2,400,000; local share \$2,400,000).....	2,400,000
GROSS APPROPRIATION.....	\$ 9,393,000
Appropriated from:	
Federal revenues:	
DHS, U.S. coast guard.....	1,293,000
Special revenue funds:	
Michigan state waterways fund.....	8,100,000
State general fund/general purpose.....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$229,727,800.00 and state spending from state resources to be paid to local units

of government for fiscal year 2008-2009 is \$8,357,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES

CAPITAL OUTLAY

Waterways boating program ..... \$ 3,300,000

GRANTS

Grants to counties - marine safety ..... 2,805,000

Off-road vehicle safety training grants..... 150,000

Off-road vehicle trail improvement grants ..... 450,000

Recreation improvement fund grants..... 110,000

Snowmobile law enforcement grants..... 1,142,000

Snowmobile local grants program..... 400,000

TOTAL..... \$ 8,357,000

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

Sec. 203. As used in this act:

- (a) "Commission" means the commission of natural resources.
- (b) "DAG" means the United States department of agriculture.
- (c) "Department" means the department of natural resources.
- (d) "DHS" means the United States department of homeland security.
- (e) "Director" means the director of the department of natural resources.
- (f) "DOC" means the United States department of commerce.
- (g) "DOE" means the United States department of energy.
- (h) "DOI" means the United States department of interior.
- (i) "DOT" means the United States department of transportation.
- (j) "EPA" means the United States environmental protection agency.
- (k) "FTE" means full-time equated.
- (l) "IDG" means interdepartmental grant.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exceptions.

Sec. 206. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement can be met if reports are transmitted 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. 207. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies with an annual report on estimated restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2008 and September 30, 2009.

Sec. 208. (1) From the funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant, loan, or grant and loan programs administered by the department for the fiscal year ending on September 30, 2009:

- (a) The name of each program.
- (b) The goals, criteria, filing fees, nominating procedures, eligibility requirements, processes, and deadlines for each program.
- (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
- (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
- (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.

- (f) The source of funds for each program, including the citation of pertinent authorizing acts.
- (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.
- (h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan during the fiscal year ending September 30, 2008.

(2) The reports required under this section shall be submitted to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies by January 1, 2009.

Sec. 209. Appropriations of state-restricted game and fish protection funds have been made to the following departments and agencies in their respective appropriation acts. The amounts appropriated to these departments and agencies are listed below:

Civil service commission .....	\$ 876,100
History, arts, and libraries .....	3,500
Legislative auditor general .....	21,400
Attorney general .....	767,800
Department of management and budget .....	235,300
Department of treasury .....	7,000

Sec. 210. Before January 31, 2009, 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 2007-2008, including the county and municipality in which each project is located.

Sec. 211. 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, 2009.

Sec. 212. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 213. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate standing committees on appropriations.

(3) Not later than January 1 of each year, 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 senate and house of representatives standing committees on appropriations, the senate and house 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. 215. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should 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. 216. 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. 217. The department shall not take disciplinary action against an employee for communicating truthfully and factually with a member of the legislature or his or her staff.

Sec. 218. (1) The department shall report no later than April 1, 2009 on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year. The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt 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.

(3) 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. 219. 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. 220. The department shall develop a plan for allocating restricted funds among department administrative support and regulatory activities. This plan shall be submitted to the house and senate appropriations subcommittees on natural resources by January 30, 2009. This plan shall include a cost allocation plan for financial services support, office space rent and building occupancy charges, and support division service for information systems and technology and a methodology to use information generated through activity reports that identifies the percentage of employee time spent on restricted fund activities.

Sec. 222. (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 this act 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 this act 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 this act 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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 223. It is the intent of the legislature that the recommendations of the workgroup on long-term funding that was established in section 223 of 2007 PA 122 are included in the appropriations in part 1.

Sec. 224. It is the intent of the legislature that revenue shortfalls in the snowmobile trail improvement fund appropriated in part 1 shall be addressed by January 15, 2009.

Sec. 225. 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 the 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. This section does not apply to meetings or to the purchase of excess federal equipment.

Sec. 226. (1) It is the intent of the legislature that the department take all necessary action to facilitate the necessary permits to construct a lake level control structure on Muskrat Lake in Clinton County for the purpose of restoring the water level to a level that allows use of the existing public boat dock.

(2) By February 1, 2009, the department shall notify the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director of the status of the permits and the water level of Muskrat Lake.

**ADMINISTRATIVE SERVICES**

Sec. 401. The department may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2009, for engineering services provided, a standard percentage fee to recover actual costs. The department may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 402. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2009, 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. 403. 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 at a rate which allows the department to recover its costs for providing these services.

Sec. 404. The department shall prominently display in a prominent place in the fishing guide provided to each licensed fisher and paid for from the funds appropriated in part 1, the website address for the department of community health. In addition, the fishing guide shall include information on alternative sources where interested parties without Internet access may find information on fish advisories issued by the department of community health.

Sec. 405. Within 21 days after the end of the fiscal year ending September 30, 2009, the department shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the commission in the previous fiscal year. 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.

Sec. 406. By January 15, the department shall provide to the department of treasury all billing information received from local units of government that is necessary for making payments in lieu of taxes on purchased lands. Bills received by the department from local units of government after January 15 shall be forwarded to the department of treasury as soon as practical.

**WILDLIFE MANAGEMENT**

Sec. 501. It is the intent of the legislature that, from the funds appropriated in part 1, the department shall reimburse the department of agriculture for costs incurred for indemnification payments for livestock losses caused by wolves, coyotes, or cougars under the animal industry act, 1988 PA 466, MCL 287.701 to 287.745.

Sec. 502. From the funds appropriated in part 1, the department shall submit quarterly reports to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies that provide detail about enforcement actions taken to eradicate bovine tuberculosis, the number of infected deer found, new science it is working on to detect bovine tuberculosis, and other relevant information about the department's efforts to address the presence of bovine tuberculosis in this state.

**FISHERIES MANAGEMENT**

Sec. 601. As a condition of expenditure of fisheries management appropriations under part 1, the department shall not impede the certification process for water control structures on Michigan waterways. The department 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 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. 602. (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 of the department shall develop priority and cost estimates for all recommended projects.

Sec. 603. From the funds appropriated in part 1 for fish production and fisheries resource management, the department shall continue to operate the 6 hatcheries that were operational on September 30, 2007.

**PARKS AND RECREATION**

Sec. 701. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed \$10,000,000.00 for the fiscal year ending September 30, 2009.

Sec. 702. (1) The department shall prepare detailed reports for construction projects in state parks that will involve campsite or campground closures. These reports shall include expected costs, impacts on recreation opportunities, impacts on state park revenues, and the expected impact on state park users. The department shall also prepare reports on average monthly campground occupancy rates for every state park during the previous summer season. The department shall provide reports described in this subsection to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies not later than April 1, 2009.

(2) The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities at any state park or recreation area.

Sec. 703. From the funds appropriated in part 1, the department shall maintain an appropriate number of defibrillators in state parks. State parks shall accept donations of defibrillators.

Sec. 704. The department shall not alter or halt operations of the ski hill or demolish buildings related to the ski hill, the assistant manager residence, the 3-unit apartment building, or the carpenter's shop and garage in Porcupine Mountains wilderness state park. The department shall collaborate with travel Michigan for the marketing and promotion of the ski hill.

#### **FOREST, MINERAL, AND FIRE MANAGEMENT**

Sec. 801. In addition to the funds appropriated in part 1, \$350,000.00 is appropriated to cover costs related to any declared emergency involving the collapse of any abandoned mine shaft located on state land. This appropriation shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations.

Sec. 802. As a condition of expenditure of appropriations in part 1 from the forest development fund, on November 15, 2008 the department shall provide at least \$750,000.00 from cooperative resources programs as an interdepartmental grant to the department of agriculture for the cooperative resources management initiative program for the purposes of supporting forestry programs in local conservation districts.

Sec. 803. The department shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for additional foresters to mark timber, pursuant to section 804.

Sec. 804. Of the funds appropriated in part 1, the department shall, subject to the forest certification process, prescribe appropriate treatment on not less than 63,000 acres at the current average rate of 12.5 to 13 cords per acre, and offer those cords for sale in 2009, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over 2008 levels. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department shall provide quarterly reports on the number of acres treated, pursuant to this section, 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 no later than 45 days after the end of the fiscal quarter.

Sec. 805. From the funds appropriated in part 1, the department shall provide for a designated snowmobile route connecting the village of Bellaire to the Jordan River Trail across state-owned land with associated reasonable restrictions that mitigate negative impacts on the natural resources.

Sec. 806. In addition to the money appropriated in this act, the department may receive and expend money from federal sources for the purpose of providing 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, 2009.

Sec. 807. The department shall continue to work cooperatively with horseback riding interests to maximize riding opportunities in the state.

#### **LAW ENFORCEMENT**

Sec. 901. The appropriation in part 1 for snowmobile law enforcement grants shall be used 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 324.82160, 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. From the funds appropriated in part 1, not less than 6 months before expiration of a contract or adoption of amendments to an existing contract with the concessionaire at the Island Lake shooting range, the department shall notify in the least expensive method possible all residents within 5 miles of the shooting range and the state and local elected officials representing Green Oak Township in Livingston County of the contract expiration date or adoption of amendments to an existing contract. If the department intends to extend or amend the contract with the concessionaire, it shall hold 1 public hearing in Livingston County on the matter not less than 60 days before execution.

#### **GRANTS**

Sec. 1101. 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, 2008, 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, 2008.

Sec. 1102. Subject to part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150, from the funds appropriated in part 1 for off-road vehicle trail improvements grants, not less than \$980,000.00 shall be spent on the development of new trails in accordance with the off-road vehicle trail expansion plan submitted to the legislature pursuant to section 807 of article 14 of 2005 PA 154.

**CAPITAL OUTLAY**

Sec. 1201. The appropriation made in this act for the harbors and docks program is for the purpose of participating with the federal government and assisting political entities and subdivisions of this state in the construction and improvement of recreational boating facilities within this state. Subject to the approval of the state administrative board, this money shall be allocated by the department to the federal government, or to the political entities or local units of government involved in the particular projects. An allocation shall not exceed the state portion as listed with each project description. The department shall take the steps necessary to match federal money available for the construction and improvement of recreational boating facilities within the state, and to meet requirements of the federal government.

Sec. 1202. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 1203. 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.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Michelle McManus  
Ron Jelinek  
Liz Brater  
Conferees for the Senate

Michael Lahti  
Matt Gillard  
Darwin Booher  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsey moved that the rule be suspended.

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

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. 478**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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.

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

The motion prevailed.

Senator Cropsey's statement is as follows:

I just wanted to thank the chair for her work on this budget. I also wanted to thank the chair for an amendment that was put on that has a comparable amendment in the Department of Environmental Quality budget.

North of town here, about 15 to 20 miles, there is a little lake called Muskrat Lake of which the Department of Natural Resources owns two-thirds to three-quarters of the shoreline. Several years ago, a boat ramp was put on Muskrat Lake, a little cement ramp, so that people could put their boats on the lake without having their trailer run into the muck. Unfortunately, over the last few years, the lake level has gone down, and the Department of Natural Resources has been negligent or dilatory in not regulating the level of the lake. One of the amendments on here says they need to give us a report by February of next year as to what they are doing to bring the lake level back up.

We have had people in the nonprofit sector willing to put a weir in so that the lake level would come back up to where it's supposed to be. It was Ducks Unlimited that had offered to do that. At this point, they were in my office about a year ago—ten months ago—both the Department of Natural Resources and the Department of Environmental Quality. We had gone through a snowmelt, and when I went out to the lake during the snowmelt, the ramp was still completely out of the water. It's totally inexcusable for the Department of Natural Resources to allow the natural resources of this state to be in such a negligentful state of affairs.

I am putting the Department of Natural Resources on notice that they better start taking care of the property that is in their trust, especially when it's in my district. Because they hold it in trust for the people of the state of Michigan, I am very disturbed that they have allowed this lake to get in such a state of disrepair.

**House Bill No. 5804, entitled**

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

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. 5804, entitled**

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Recommends:

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

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of history, arts, and libraries for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	226.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 52,897,000</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental-transfers .....		668,600
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 52,228,400</b>
Federal revenues:		
Total federal revenues.....		7,757,400
Special revenue funds:		
Total local revenues .....		200,000
Total private revenues.....		312,400
Total other state restricted revenues .....		4,167,800
State general fund/general purpose .....		\$ 39,790,800

**Sec. 102. DEPARTMENT OPERATIONS**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	28.0	
Unclassified salaries .....		\$ 228,600
Management services—26.0 FTE positions .....		2,114,600
Building occupancy charges and rent.....		3,671,900
Worker’s compensation.....		8,000
Records center relocation expenses .....		870,000
Federal, local, and private grants .....		600,000
Cultural economic development—2.0 FTE positions.....		360,600
Internal audit services.....		170,800
<b>GROSS APPROPRIATION .....</b>		<b>\$ 8,024,500</b>

Appropriated from:

Interdepartmental grant revenues:		
IDG-agency relocation assistance.....		551,300
Federal revenues:		
Federal funds .....		200,000
Special revenue funds:		
Private revenues.....		200,000
Local revenues.....		200,000
History, arts, and libraries fund.....		100,000
State general fund/general purpose .....		\$ 6,773,200

**Sec. 103. INFORMATION TECHNOLOGY**

Information technology services and projects .....		\$ 1,274,800
<b>GROSS APPROPRIATION .....</b>		<b>\$ 1,274,800</b>

Appropriated from:

Mackinac Island state park fund .....		46,900
State general fund/general purpose .....		\$ 1,227,900

**Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

Full-time equated classified positions .....	5.0	
Administration—5.0 FTE positions.....		\$ 529,300
Arts and cultural grants .....		8,037,900
<b>GROSS APPROPRIATION .....</b>		<b>\$ 8,567,200</b>

	For Fiscal Year Ending Sept. 30, 2009
Appropriated from:	
NFAH-NEA, promotion of the arts, partnership agreements .....	\$ 850,000
History, arts, and libraries fund.....	150,000
State general fund/general purpose .....	\$ 7,567,200
<b>Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION</b>	
Full-time equated classified positions .....	39.0
Mackinac Island park operation—24.0 FTE positions .....	\$ 1,671,500
Historical facilities system—15.0 FTE positions .....	2,055,100
GROSS APPROPRIATION .....	\$ 3,726,600
Appropriated from:	
Federal funds .....	200,000
Mackinac Island state park operation fund .....	163,200
Mackinac Island state park fund .....	1,571,100
History, arts, and libraries fund.....	200,000
State general fund/general purpose .....	\$ 1,592,300
<b>Sec. 106. MICHIGAN HISTORICAL PROGRAM</b>	
Full-time equated classified positions .....	83.0
Historical administration and services—63.0 FTE positions .....	\$ 5,960,400
State historic preservation programs (federal)—12.0 FTE positions .....	950,000
Heritage publications—1.0 FTE position .....	700,000
Special programs—1.0 FTE position .....	112,400
Thunder Bay national marine sanctuary and underwater preserve—1.0 FTE positions .....	202,000
Michigan history day.....	25,000
Museum stores—4.0 FTE positions .....	500,000
Lighthouse preservation program—1.0 FTE position .....	250,000
Local historical society grant program.....	25,000
GROSS APPROPRIATION .....	\$ 8,724,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOT, comprehensive transportation fund .....	3,900
IDG-MDOT, state aeronautics fund.....	2,500
IDG-MDOT, state trunkline fund .....	110,900
Federal revenues:	
DOI-NPS, historic preservation grants-in-aid .....	950,000
Special revenue funds:	
Private - grants and gifts .....	10,000
Private - Mann house trust fund.....	102,400
Game and fish protection fund.....	3,500
Michigan heritage publications fund .....	700,000
History, arts, and libraries fund.....	171,000
Marine safety fund .....	400
Michigan lighthouse preservation fund .....	250,000
Museum operations fund .....	500,000
Special revenue, internal service and pension trust.....	72,700
State lottery fund.....	20,400
State services fee fund.....	12,800
Waterways fund .....	800
State general fund/general purpose .....	\$ 5,813,500
<b>Sec. 107. LIBRARY OF MICHIGAN</b>	
Full-time equated classified positions .....	71.0
Book distribution centers.....	\$ 360,000
Library of Michigan operations—69.0 FTE positions .....	6,156,700
Library services and technology program—2.0 FTE positions.....	5,557,400
State aid to public libraries .....	10,000,000
Subregional state aid .....	505,000
GROSS APPROPRIATION .....	\$ 22,579,100

	For Fiscal Year Ending Sept. 30, 2009
Appropriated from:	
IMLS: library services and technology act .....	\$ 5,557,400
History, arts, and libraries fund.....	205,000
State general fund/general purpose .....	\$ 16,816,700

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$43,958,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$11,228,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES**

Arts and cultural grants .....	\$ 723,400
State aid to libraries .....	10,000,000
Subregional state aid .....	505,000
Total department of history, arts, and libraries.....	\$ 11,228,400

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

Sec. 203. As used in this appropriation act:

- (a) "Department" means the department of history, arts, and libraries.
- (b) "Director" means the director of the department of history, arts, and libraries.
- (c) "DOI-NPS" means the United States department of interior, national park service.
- (d) "Fiscal agencies" means the house fiscal agency and the senate fiscal agency.
- (e) "FTE" means full-time equated.
- (f) "IDG" means interdepartmental grant.
- (g) "IMLS" means institute of museum and library services.
- (h) "MCACA" means the Michigan council for arts and cultural affairs.
- (i) "MDOT" means the Michigan department of transportation.
- (j) "NEA" means the national endowment for the arts.
- (k) "NFAH" means the national foundation of the arts and the humanities.
- (l) "Subcommittees" means all members of the appropriate subcommittees of the senate and house of representatives appropriations committees.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 208. The department shall use the Internet to fulfill the reporting requirements of this act. 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 should 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. (1) The department shall report no later than April 1, 2009 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 appropriations



subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt 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.

(3) 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. 211. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars in compliance with section 26 of article I of the state constitution of 1963.

Sec. 213. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. The user fees are subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 215. (1) The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software and 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. Fees for services shall be reasonably related to the cost of providing the services and shall be used to offset the costs of the services. The department may receive and expend funds in addition to those authorized in part 1 which may include, but are not limited to, the following:

(a) Supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products.

(b) Document and data imaging services, media, storage, and copies.

(c) Patron copier and document reproduction services and copies.

(d) Conferences, training classes, exhibits, programs, and workshops conducted as part of the department's mission.

(e) Use of specialized equipment, facilities, and software that permit distance learning and meetings, and group decision making.

(f) Special services including the rental of department exhibits and collections.

(g) Application and other fees.

(h) Grants, gifts, and bequests from private or public sources, including those for capital projects.

(2) The funds received under this section shall be deposited in and expended from the history, arts, and libraries fund established in section 216 of this act.

Sec. 216. (1) A fund known as the history, arts, and libraries fund is created in the department. The fund shall be used to receive and expend funds identified in sections 215 and 404(a). All funds in excess of those funds appropriated in part 1 are appropriated for expenditure upon receipt. The fund balance may be carried forward for expenditure in subsequent fiscal years.

(2) The department shall provide a report to the senate and house of representatives appropriations subcommittees on history, arts, and libraries, and to the state budget director, of all revenues to and expenditures from the history, arts, and libraries fund in excess of those amounts appropriated in part 1. The report shall include an estimated fund balance for the fiscal year ending September 30, 2009. The report is due November 1, 2009.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, 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 senate and house of representatives standing committees on appropriations, the senate and house 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. 217a. 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 the 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.

Sec. 218. It is the intent of the legislature to explore supplemental fund sourcing options for the department.

Sec. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 222. 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. 223. 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 or for those activities that the attorney general authorizes.

Sec. 224. (1) The department of history, arts, and libraries shall collaborate with the state board of education, the department of human services, the department of community health, and the department of labor and economic growth to extend the duration of the Michigan after-school partnership and to oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 may be used to support the Michigan after-school partnership. Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The cochairs, representing the department, the state board of education, the department of human services, the department of labor and economic growth, and the department of community health, shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the Michigan department of history, arts, and libraries. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and governor.

Sec. 226. (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 this act 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 \$1,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act 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 this act 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 \$750,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 227. From the funds appropriated in part 1, the department shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2009 and September 30, 2009, the department shall submit a report to the state budget director, the senate and house appropriation subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in department programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.

Sec. 228. Within 10 days of the receipt of a grant appropriated in the federal, local 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.

#### **MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

Sec. 401. (1) The MCACA in the department shall administer the arts and cultural grants appropriated in part 1.

(2) The MCACA shall render fair and independent decisions concerning arts and cultural grant requests and shall do all of the following:

(a) Use published criteria to evaluate program quality, including all of the following:

(i) The department's intended goals and outcomes for each program.

(ii) The department's quantifiable measures of success in meeting the intended goals and outcomes.

(b) Seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received.

(c) Give priority to projects that serve multiple counties, leverage significant additional public and private investment, or demonstrate a significant potential to increase tourism or attract or retain businesses or residents.

(3) No payment shall be made under part 1 except upon application submitted in accordance with MCACA published criteria and procedures, which shall ensure both of the following:

(a) Artistic excellence and artistic merit are the criteria by which applications will be judged, taking into consideration general standards of decency and respect for the diverse beliefs and values of the people of this state.

(b) Criteria clearly indicate that obscenity is without artistic merit, is not protected speech, and will not be funded by a grant from appropriations under part 1.

(4) The MCACA shall provide for fair, equitable, and efficient distribution of funds granted through the regional regranting program. The MCACA shall provide for an annual assessment of grant management and distribution of mini-grant awards by designated regional regranting agencies and review the methodology employed.

(5) The MCACA shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations to transition from solely volunteer-based organizations to professionally directed operations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.

(6) The department shall withhold undistributed grant payments from a grant recipient who violates the requirements for funding in subsection (3) and may disqualify the grant recipient from award of future grants for a period of not more than 3 years.

Sec. 402. The MCACA may award grants to counties, cities, villages, townships, community foundations and organizations in the following categories:

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

(b) Arts projects program.

(c) Arts and learning program.

(d) Artists in residence for education program.

(e) Arts organization development program.

(f) Capital improvement program.

(g) Local arts agencies services program.

(h) Regional regranting program.

(i) Partnership program.

(j) Rural arts and cultural program.

(k) Cultural projects program.

(l) Historical society projects program.

(m) Discretionary grants program.

(n) Cultural and ethnic heritage centers and museums.

Sec. 403. (1) From the state funds appropriated in part 1 for arts and cultural grants, no 1 organization may receive more than 15% of this funding.

(2) The MCACA shall make every effort to provide total grant awards in the anchor organization program at a level not to exceed 70% of the total amount appropriated for arts and cultural grants.

(3) As documented in the audit report that is submitted as part of the grant application process, the total of all grants awarded to any organization receiving grants within the anchor organization program may not exceed 15% of their "total unrestricted revenues, gains, and other support", as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations.

(4) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to an eligible recipient, the department shall execute a grant agreement with the recipient. The grant agreement shall identify the projects funded, specify the category in section 402 under which the grant is awarded, and include the prohibitions and sanctions identified in section 401(3) and (6).

Sec. 404. Grant applicants must meet and adhere to the following requirements:

(a) Each applicant shall pay a nonrefundable application fee of \$300.00 or 3% of the desired grant amount, whichever is less. Application fees shall be deposited in the history, arts, and libraries fund established in section 216. The department may use the application fee to offset its direct and indirect costs.

(b) An applicant for a grant under the anchor organization program shall submit with the application the applicant's most recent annual audit report which states their "total unrestricted revenues, gains, and other support", as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations. The audit report must cover an audit period that ends within 18 months of the date of the application.

(c) Each applicant shall identify proposed matching funds from local and/or private sources on a minimum of a dollar-for-dollar basis. The match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions.

(d) Each applicant for a grant which charges admission to their institution may offer a discounted rate for admission to current and former United States servicemen and servicewomen, firefighters, police officers, and first responders.

Sec. 405. Each grant recipient shall provide the MCACA with the following:

(a) Proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period.

(b) Within 30 days following the end of the grant period, a final report that includes the following:

(i) Project revenues and expenditures, including grant matching fund amounts.

(ii) Number of patrons attracted or benefiting during the grant period.

(iii) A narrative summary of each project and its outcome.

(c) By April 7 of the grant year, each recipient of a grant greater than \$100,000.00 shall submit an interim report that includes the items identified in subdivision (b).

Sec. 406. (1) The department shall make the following reports:

(a) A report identifying the web site location that contains a list of all grant recipients, sorted by county. This report shall be provided to each legislator within 1 business day of the announcement of annual awards by the MCACA.

(b) A report to the senate and house of representatives appropriations subcommittees, the state budget director, and the fiscal agencies, within 30 days after the MCACA announces the annual grant awards, that includes all of the following:

(i) A listing of each applicant.

(ii) The county of residence or domicile of the applicant.

(iii) The amount requested.

(iv) The amount awarded.

(v) The grant category under which an applicant applied.

(vi) A summary of projects funded for each recipient.

(vii) The expected number of patrons for an applicant during the grant period.

(viii) The amount of matching funds proposed by each applicant.

(ix) A listing containing the applicant, county of residence or domicile of the applicant, and amount awarded for any regranted funds in the preceding fiscal year.

(c) An annual report to the appropriations subcommittees, the state budget director, and the fiscal agencies is due when materials are first distributed by the MCACA seeking grant applications for the subsequent fiscal year. The report shall contain the following:

(i) The MCACA guidelines for awarding grants.

(ii) A summary of any changes in the program guidelines from the previous fiscal year.

(2) The council shall report to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries by August 1 all unexpended or unencumbered discretionary grant funding that is available. The council shall not redistribute any unexpended or unencumbered grant funds during the fiscal year without a 10-day notice to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries.

#### **MICHIGAN HISTORICAL PROGRAM**

Sec. 501. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which

the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, rehabilitation, and preservation of historic resources. The method used will be to solicit applications, score applications based upon established criteria, and award subgrants. The department shall execute a grant agreement with each recipient. The total cost is \$85,000.00, and the tentative completion date is September 30, 2009.

Sec. 502. Funds collected by the department under sections 6, 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are appropriated to the department for the purposes for which they were received, upon receipt.

Sec. 503. 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. 505. From the funds appropriated in part 1 for historical administration and services, \$25,000.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the department's Michigan historical center to support commission operations.

Sec. 506. 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 are appropriated to the department and 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 history, arts, and libraries 1 week prior to any auctions or sales.

Sec. 507. Unless prohibited by law, the department shall make available to the historical society of Michigan the use of the Michigan history magazine subscriber list, or a portion of the Michigan history magazine subscriber list, at a cost not to exceed the actual expense incurred for providing a single mailing.

Sec. 508. Of the funds appropriated in part 1 for the local historical society grant program, funds shall be used for a competitive grant program for all state and local historical societies. Awards shall be made for projects that can leverage additional public and private investment and may involve, but are not limited to, capital improvements projects, restorations, research, educational programs, and publications. No single grant award shall exceed \$2,000.00.

#### **LIBRARY OF MICHIGAN**

Sec. 601. In order to receive subregional state aid as appropriated in part 1 to the library of Michigan, a subregional library's fiscal agency must 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 subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a subregional library's fiscal agency or a reduction in expenditures for the subregional library's fiscal agency, a reduction in expenditures for the subregional library shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1.

Sec. 602. The funds appropriated in part 1 for a subregional library shall not be released until a budget for that subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

Sec. 607. The funds appropriated in part 1 for book distribution centers shall be distributed equally to the public enrichment foundation and the Michigan friends of education.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Aldo Vagnozzi  
Shanelle Jackson  
Fran Amos  
Conferees for the House

Thomas M. George  
Cameron Brown  
Conferees for the Senate

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsey moved that the rule be suspended.

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

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. 479****Yeas—34**

Allen	Cherry	Jacobs	Prusi
Anderson	Clark-Coleman	Jansen	Richardville
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Kahn	Scott
Birkholz	Garcia	Kuipers	Stamas
Bishop	George	McManus	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter		

**Nays—3**

Gilbert	Patterson	Sanborn
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**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Cropsey moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

**House Bill No. 5807, entitled**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

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. 5807, entitled**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

Recommends:

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

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**  
PART 1  
LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF AGRICULTURE**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	594.5	
<b>GROSS APPROPRIATION</b> .....		\$ 107,814,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		10,539,200
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 97,275,100
Federal revenues:		
Total federal revenues.....		16,121,900
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		237,200
Total other state restricted revenues .....		48,427,400
State general fund/general purpose .....		\$ 32,488,600

FUND SOURCE SUMMARY:

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	594.5	
<b>GROSS APPROPRIATION</b> .....		\$ 107,814,300
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations.....		8,878,700
IDG from MDEQ, aquifer protection and dispute resolution .....		50,000
IDG from MDEQ, biosolids.....		92,500
IDG from MDEQ, MAEAP.....		159,100
IDG from MDEQ, type II well survey .....		17,000
IDG from DHS, food bank.....		150,000
IDG from MDLEG (LCC), liquor quality testing fees .....		191,900
IDG from MDNR, district forestry and wildlife program.....		1,000,000
Total interdepartmental grants and intradepartmental transfers .....		10,539,200
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 97,275,100
Federal revenues:		
DAG, multiple grants .....		12,637,300
EPA, multiple grants.....		1,753,300
HHS-FDA .....		1,077,700
United States department of labor.....		400,000
Corporation for national and community services .....		253,600
Total federal revenues.....		16,121,900
Special revenue funds:		
Private - commodity group.....		89,200
Private - slow-the-spread foundation.....		148,000
Total private revenues.....		237,200
Agricultural preservation fund.....		3,400,000
Agriculture equine industry development fund .....		12,548,400
Agriculture pollution prevention fund.....		100
Cervidae licensing and inspection fees .....		75,000
Commodity inspection fees .....		1,084,000
Dairy and food safety fund .....		2,728,300
Gasoline inspection and testing fund .....		2,620,700
Freshwater protection fund.....		5,174,300
Horticulture fund.....		79,700
Industry support funds.....		697,900
Licensing and inspection fees .....		4,038,400
Migratory labor housing.....		25,000

	For Fiscal Year Ending Sept. 30, 2009
Nonretail liquor fees.....	\$ 678,600
Refined petroleum fund.....	3,339,000
State services fee fund.....	9,185,700
Testing fees.....	434,500
Upper Peninsula state fair revenue.....	1,382,500
Consumer and industry food safety education fund.....	260,500
Weights and measures regulation fees.....	674,800
Total other state restricted revenues.....	48,427,400
State general fund/general purpose.....	\$ 32,488,600
<b>Sec. 102. EXECUTIVE</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	37.5
Commission and boards.....	\$ 32,800
Unclassified positions—6.0 FTE positions.....	354,000
Executive direction—10.0 FTE positions.....	922,600
Management services—24.0 FTE positions.....	1,725,800
Agricultural statistics—1.0 FTE position.....	143,700
Emergency management—2.5 FTE positions.....	243,300
Internal audit services.....	263,700
GROSS APPROPRIATION.....	\$ 3,685,900
Appropriated from:	
Private funds:	
Private - commodity group.....	78,400
Special revenue funds:	
Gasoline inspection and testing fund.....	61,200
Industry support funds.....	34,200
Nonretail liquor fees.....	8,800
Refined petroleum fund.....	50,400
State services fee fund.....	502,500
Upper Peninsula state fair revenue.....	9,000
State general fund/general purpose.....	\$ 2,941,400
<b>Sec. 103. DEPARTMENTWIDE</b>	
Rent and building occupancy charges.....	\$ 1,471,500
GROSS APPROPRIATION.....	\$ 1,471,500
Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	106,500
EPA, multiple grants.....	64,900
HHS-FDA.....	14,000
Special revenue funds:	
Agricultural preservation fund.....	23,900
Freshwater protection fund.....	10,100
Licensing and inspection fees.....	63,300
Nonretail liquor fees.....	8,400
Refined petroleum fund.....	114,000
State services fee fund.....	313,200
State general fund/general purpose.....	\$ 753,200
<b>Sec. 104. FOOD AND DAIRY</b>	
Full-time equated classified positions.....	115.0
Food safety and quality assurance—115.0 FTE positions.....	\$ 12,598,000
Local public health operations.....	8,878,700
GROSS APPROPRIATION.....	\$ 21,476,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCH, local public health operations.....	8,878,700



	For Fiscal Year Ending Sept. 30, 2009
Federal revenues:	
DAG, multiple grants .....	\$ 27,100
HHS-FDA .....	380,300
Special revenue funds:	
Consumer and industry food safety education fund .....	260,500
Dairy and food safety fund .....	2,728,300
State general fund/general purpose .....	\$ 9,201,800
<b>Sec. 105. ANIMAL INDUSTRY</b>	
Full-time equated classified positions .....	70.0
Animal health and welfare—21.5 FTE positions .....	\$ 2,382,200
Bovine tuberculosis program—48.5 FTE positions .....	7,425,200
GROSS APPROPRIATION .....	\$ 9,807,400
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
DAG, multiple grants .....	1,143,000
HHS-FDA .....	72,100
Special revenue funds:	
Agriculture equine industry development fund .....	712,000
Cervidae licensing and inspection fees .....	75,000
Licensing and inspection fees .....	106,900
State general fund/general purpose .....	\$ 7,698,400
<b>Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT</b>	
Full-time equated classified positions .....	134.5
Pesticide and plant pest management—110.0 FTE positions .....	\$ 12,173,000
Emerald ash borer control program—24.5 FTE positions .....	5,191,400
GROSS APPROPRIATION .....	\$ 17,364,400
Appropriated from:	
Federal revenues:	
DAG, multiple grants .....	6,679,300
EPA, multiple grants .....	891,500
HHS-FDA .....	68,300
Special revenue funds:	
Private - slow-the-spread foundation .....	148,000
Commodity inspection fees .....	1,084,000
Horticulture fund .....	79,700
Industry support funds .....	340,900
Licensing and inspection fees .....	3,660,500
State general fund/general purpose .....	\$ 4,412,200
<b>Sec. 107. ENVIRONMENTAL STEWARDSHIP</b>	
Full-time equated classified positions .....	52.0
Environmental stewardship—27.0 FTE positions .....	\$ 2,811,500
Groundwater and freshwater protection program—15.0 FTE positions .....	5,472,500
Farmland and open space preservation—9.0 FTE positions .....	985,500
Water withdrawal assessment program—1.0 FTE positions .....	130,000
Technical assistance match .....	300,000
Cooperative resources management initiative program .....	1,000,000
Agriculture pollution prevention program .....	1,000,100
Local conservation districts .....	916,800
Migrant labor housing .....	425,100
Aquifer protection program .....	50,000
GROSS APPROPRIATION .....	\$ 13,091,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDEQ, aquifer protection and dispute resolution .....	50,000
IDG from MDEQ, biosolids .....	92,500

	For Fiscal Year Ending Sept. 30, 2009
IDG from MDEQ, MAEAP.....	\$ 159,100
IDG from MDEQ, type II well survey .....	17,000
IDG from MDNR, district forestry and wildlife program.....	1,000,000
Federal revenues:	
DAG, multiple grants .....	1,000,000
EPA, multiple grants.....	445,700
Corporation for national and community services .....	253,600
United States department of labor.....	400,000
Special revenue funds:	
Agricultural preservation fund.....	875,900
Agriculture pollution prevention fund.....	100
Freshwater protection fund.....	5,164,100
Migratory labor housing .....	25,000
State general fund/general purpose .....	\$ 3,608,500
<b>Sec. 108. LABORATORY PROGRAM</b>	
Full-time equated classified positions .....	131.0
Laboratory services—63.0 FTE positions .....	\$ 6,318,800
USDA monitoring program—17.0 FTE positions .....	2,134,200
Consumer protection program—51.0 FTE positions.....	5,135,200
GROSS APPROPRIATION .....	\$ 13,588,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDLEG (LCC), liquor quality testing fees .....	189,100
Federal revenues:	
DAG, multiple grants .....	2,156,200
EPA, multiple grants.....	351,200
HHS-FDA .....	543,000
Special revenue funds:	
Gasoline inspection and testing fund .....	2,532,500
Licensing and inspection fees .....	75,100
Refined petroleum fund.....	3,174,600
State services fee fund.....	519,700
Testing fees.....	434,500
Weights and measures regulation fees.....	674,800
State general fund/general purpose .....	\$ 2,937,500
<b>Sec. 109. AGRICULTURE DEVELOPMENT</b>	
Full-time equated classified positions .....	9.0
Agriculture development—6.0 FTE positions .....	\$ 1,072,000
Grape and wine program—3.0 FTE positions.....	717,100
Export market development program .....	50,000
Michigan agricultural surplus system.....	630,500
GROSS APPROPRIATION .....	\$ 2,469,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DHS, food bank.....	150,000
Federal revenues:	
DAG, multiple grants .....	275,200
Special revenue funds:	
Private - commodity group.....	10,800
Industry support funds.....	311,900
Nonretail liquor fees.....	660,900
State services fee fund.....	350,700
State general fund/general purpose .....	\$ 710,100
<b>Sec. 110. FAIRS AND EXPOSITIONS</b>	
Full-time equated classified positions .....	15.5
Upper Peninsula state fair—6.0 FTE positions .....	\$ 1,372,600

	For Fiscal Year Ending Sept. 30, 2009
Fairs, racing and producer security—9.5 FTE positions .....	\$ 1,154,600
Building and track improvement - county and state fairs .....	480,000
Premiums - county and state fairs .....	1,614,000
Purses and supplements - fairs/licensed tracks .....	2,601,300
Licensed tracks - light horse racing .....	144,900
Standardbred breeders' awards .....	1,063,600
Standardbred purses and supplements - licensed tracks.....	1,963,900
Standardbred sire stakes .....	889,100
Thoroughbred sire stakes.....	911,000
Standardbred training and stabling .....	39,500
Thoroughbred program.....	2,634,200
Thoroughbred owners' awards .....	136,100
Distribution of outstanding winning tickets .....	768,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 15,773,100</b>
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund .....	11,631,900
Industry support funds.....	10,900
Licensing and inspection fees .....	132,600
State services fee fund.....	2,625,100
Upper Peninsula state fair revenue.....	1,372,600
State general fund/general purpose .....	\$ 0
<b>Sec. 111. OFFICE OF RACING COMMISSIONER</b>	
Full-time equated classified positions .....	30.0
Office of racing commissioner—30.0 FTE positions .....	\$ 3,811,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 3,811,000</b>
Appropriated from:	
Special revenue funds:	
State services fee fund.....	3,811,000
State general fund/general purpose .....	\$ 0
<b>Sec. 112. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 1,525,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,525,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDLEG (LCC), liquor quality testing fees .....	2,800
Special revenue funds:	
Agricultural preservation fund.....	200
Agriculture equine industry development fund .....	204,500
Gasoline inspection and testing fund .....	27,000
Freshwater protection fund.....	100
Nonretail liquor fees.....	500
State services fee fund.....	1,063,500
Upper Peninsula state fair revenue.....	900
State general fund/general purpose .....	\$ 225,500
<b>Sec. 113. CAPITAL OUTLAY</b>	
Farmland and open space development acquisition .....	\$ 3,750,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 3,750,000</b>
Appropriated from:	
Federal revenues:	
DAG, multiple grants .....	1,250,000
Special revenue funds:	
Agricultural preservation fund.....	2,500,000
State general fund/general purpose .....	\$ 0

PART 2  
 PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$80,916,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$2,416,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program.....	\$ 1,500,000
Local conservation districts.....	916,800
TOTAL.....	\$ <u>2,416,800</u>

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "Department" means the department of agriculture.
- (c) "Director" means the director of the department.
- (d) "DHS" means the department of human services.
- (e) "EPA" means the United States environmental protection agency.
- (f) "FTE" means full-time equated.
- (g) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (h) "IDG" means interdepartmental grant.
- (i) "MAEAP" means the Michigan agriculture environmental assurance program.
- (j) "MDCH" means the Michigan department of community health.
- (k) "MDEQ" means the Michigan department of environmental quality.
- (l) "MDLEG (LCC)" means the Michigan department of labor and economic growth - liquor control commission.
- (m) "USDA" means the United States department of agriculture.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, causes loss of revenue to the state, would result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement shall include transmission of reports via electronic mail to the recipients identified for each reporting requirement and shall 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 should 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 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. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.745, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2009. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

(2) The department of agriculture shall make an indemnification payment for the fair market value of livestock killed by a wolf, coyote, or cougar, if the kill is verified by the department of natural resources. The fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act, 1988 PA 466, MCL 287.701 to 287.745. In addition to the funds appropriated in part 1, the department of agriculture is authorized to expend the funds received from the department of natural resources to reimburse the department of agriculture for all indemnification payments made pursuant to this subsection.

Sec. 214. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the house and senate appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

Sec. 219. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 220. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 223. (1) Due to the current budgetary problems in this state, 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, 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 chairs and members of the house and senate appropriations committees, 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. 224. The department shall not take disciplinary action against an employee for truthfully to the best of his or her knowledge communicating with a member of the legislature or his or her staff.

Sec. 225. In recognition of the important role it can play in attracting large-scale agricultural events, it is the intent of the legislature that the department of agriculture, in conjunction with interested parties, explore opportunities to expand the facilities and size of the Michigan State University pavilion for agriculture and livestock education.

Sec. 227. On or before April 1, 2009, the department shall report to the state budget director, the senate and house of representatives appropriations committees on agriculture, and the senate and house fiscal agencies on the impact of major department program areas on Michigan agriculture, environmental protection, and consumer protection. The report shall include a comparison of program expenditures with the estimated economic impact of programs, either in terms of actual federal or private funds leveraged or the potential economic loss of not performing the program functions.

Sec. 228. (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 this act 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 this act 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 this act 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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 229. (1) The department shall report no later than April 1, 2009 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, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt 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.

(3) 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. 230. 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. 231. From the funds appropriated in part 1 for salaries and benefits, the department shall provide funding in the pesticide and plant pest management, food and dairy, animal industry, environmental stewardship and laboratory divisions for not less than 315 employees who provide direct service to the public or substantially support the work of those who provide direct service. Expenditures shall be made so that these divisions continue to provide service to protect the public health, safety, and welfare and environment.

Sec. 232. From the funds appropriated in part 1, the director shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2009 and September 30, 2009, the director shall submit a report to the state budget director, the senate and house appropriation subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in departmental programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.

Sec. 234. 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 the 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.

Sec. 235. Available funds from the appropriation in part 1 may be provided to the C.S. Mott group for sustainable food systems at Michigan State University to plan for and coordinate a matched savings tool for Michigan's emerging farmers and to leverage federal funds for the purpose of developing and enhancing local markets for Michigan agricultural products.

#### **EXECUTIVE**

Sec. 302. (1) The department may receive and expend revenue and use that revenue to cover necessary expenses related to publications, audit and licensing functions, livestock sales, certification of nursery stock, bean inspection services, and laboratory analyses as specified in the following:

(a) Management services publications.

(b) Management services audit and licensing functions.

(c) Pesticide and plant pest management propagation and certification of virus free foundation stock.

(d) Pesticide and plant pest management bean inspection and grading services.

(e) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.

(f) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.

(g) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.

(h) Laboratory support test samples for other agencies and organizations.

(i) Fruit and vegetable inspection at shipping and termination points and processing plants.

(2) The department shall notify the senate and house of representatives appropriations subcommittees on agriculture and the senate and house 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.

(3) Annually, before February 1, the department shall provide a report to the senate and house of representatives appropriations subcommittees on agriculture and the senate and house 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. 304. (1) To ensure motor fuel quality and quantity, the department shall maintain the motor fuel quality program and shall not reduce program level of effort below that of the 2006-2007 fiscal year. Notwithstanding the provisions of section 205, the department shall maintain field and laboratory staff for the motor fuel quality program.

(2) On or before January 1 and every 6 months thereafter, the department shall report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies the results of both complaint-based and random-based inspections, including the number of inspections performed, samples collected, and compliance rates.

Sec. 306. From the funds appropriated in section 102, private funds for agricultural statistics shall be used to match state funds at not less than 50% of study costs.

#### **FOOD AND DAIRY**

Sec. 401. (1) The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforcement of minimum program requirements. On or before April 1, 2009, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on local health department conformance with minimum program requirements.

(2) If a local unit of government incurs additional costs resulting from its efforts to control a significant food-borne outbreak, the director shall seek additional resources to reimburse the local unit of government for these additional costs. The director shall involve the local health officer of the jurisdiction affected in all aspects of the control of any food-borne outbreak.

Sec. 402. Not later than April 1, 2009, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing significant food-borne outbreaks and emergencies including any enforcement actions taken related to food safety during the 2007-2008 fiscal year.

Sec. 403. The department, in conjunction with the department of community health, shall assure that a process is in place that requires a local unit of government to obtain prior approval from the department before any reallocation or redistribution of program funds appropriated in section 104.

Sec. 404. From the funds appropriated in section 104 for food safety and quality assurance, not less than \$150,000.00 from the consumer and industry food safety education fund shall be expended for purposes required under section 4117 of the food law of 2000, 2000 PA 92, MCL 289.4117, including the statewide training and education to consumers on food safety and the training and education on food safety to food service establishment employees and department employees and agents who enforce section 4117 of the food law of 2000, 2000 PA 92, MCL 289.4117.

Sec. 406. Notwithstanding the provisions of section 205, the department is authorized to fill open positions in the food and dairy inspection program.

Sec. 407. Funds appropriated in part 1 of 2007 PA 128 for food and dairy, food safety and quality assurance, shall not lapse but shall continue to be available for completion of the e-inspector program in accordance with the provisions of section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

#### **ANIMAL INDUSTRY**

Sec. 450. From the funds appropriated in section 105 for the bovine tuberculosis program, the department shall reimburse the department of natural resources for those costs associated with monitoring and testing wildlife for bovine tuberculosis that are necessary to support the department goals and are jointly agreed to by the department and the department of natural resources to be in excess of efforts necessary to effectively plan and execute the eradication of bovine tuberculosis from Michigan's wild free-ranging deer herd.

Sec. 451. From the funds appropriated in section 105 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 apply for all federal and private funds for which it is eligible that can be used to support the bovine tuberculosis program.

Sec. 454. The department shall use its resources to collaborate with the United States department of agriculture to obtain TB-free status for the area of the Lower Peninsula that is zoned as modified accredited advanced. The department shall also aggressively work toward eradicating bovine TB in the modified accredited zone.

Sec. 455. The department shall prepare a plan to provide for cattle without official identification that may arrive at a saleyard. If an animal arrives untagged at a saleyard without official identification, the saleyard may charge a fee for the tag and for application. The tag may be purchased by and identified to the saleyard. The saleyard shall maintain records for all animals tagged on its premises. The department plan shall be in compliance with the "Michigan Bovine TB Eradication Program - Application for TB Free/Modified Accredited Status", April 2007.

Sec. 456. Of the funds appropriated in part 1, no funds shall be used to enforce the mandatory electronic animal identification program for any domestic animals other than cattle until specific procedures and guidelines for electronic animal identification are outlined in statute.

Sec. 457. On or before October 15, 2008, and on a quarterly basis thereafter, the department shall report to the senate and house agriculture committees, the senate and house appropriations subcommittees on agriculture, and the senate and house fiscal agencies on the department's progress toward meeting the USDA requirements as outlined in the March 2007 bovine TB program review. The report shall include, but is not limited to, 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 set out in the June 2007 MOU; compliance efforts and rates for animals crossing the Mackinac Bridge; 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 section 105 for animal industry, the department shall provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under the Michigan aquaculture development act, 1996 PA 199, MCL 286.877. It is the intent of the legislature that the department shall work with aquaculture facilities and aquaculture researchers to identify, contain, and eradicate viral hemorrhagic septicemia in this state.

Sec. 459. Notwithstanding the provisions of section 205, the department is authorized to fill open positions in the bovine tuberculosis program.

Sec. 460. All appropriations from the agriculture equine industry development fund shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the fiscal year ending September 30, 2009 to a level lower than the amount appropriated in part 1.

#### **LABORATORY SERVICES**

Sec. 501. From the appropriation in part 1 for laboratory services, a sufficient amount is appropriated from licensing and inspection fee revenue to maintain the department's animal feed testing programs.

#### **PESTICIDE AND PLANT PEST MANAGEMENT**

Sec. 551. It is the intent of the legislature that the department work with the fruit and vegetable industry to ensure the development of a sustainable system of third-party inspections of fruit and vegetables.

#### **ENVIRONMENTAL STEWARDSHIP**

Sec. 603. The department shall apply for all federal funds for which it is eligible that can be used to support the migrant labor housing program.

Sec. 604. The appropriation in section 107 for local conservation districts shall be allocated in the following manner:

(a) Of the total appropriation, each local conservation district meeting the minimum grant requirements shall receive a grant of \$11,605.00 to support basic operations, unless the district resides in a county consisting of multiple districts, in which case a \$11,605.00 grant shall be divided equally among the districts in that county. The amount of money allocated under this subdivision shall not be used by local conservation districts to replace any money received from local sources.

(b) Any amount remaining from the appropriation after distributions under subdivision (a) shall be allocated for local conservation district training.

Sec. 605. From the appropriation in part 1 for technical assistance match, not less than \$300,000.00 shall be used to fund local conservation district technical assistance for individuals with contracts under the 2002 farm bill administered by USDA's natural resources conservation service. Increasing the level of technical assistance will ensure producers can access the federal money available under their individual contracts and quickly put that money to work in Michigan.

Sec. 606. The department shall actively search for all possible funding sources to be used to match federal funds in the USDA environmental quality incentives program.

Sec. 607. It is the intent of the legislature that the department continue its activities in support of intercounty drainage districts as provided in chapter 5 of the drain code of 1956, 1956 PA 40, MCL 280.101 to 280.106.

#### **AGRICULTURE DEVELOPMENT**

Sec. 702. In any given year when insufficient amounts of Michigan surplus products are offered to the food bank council and accepted for distribution, unused funds may be applied by the food bank council for the direct purchase of foods from Michigan growers, manufacturers, or wholesalers.

Sec. 705. The appropriation in section 109 for the export market development program shall be used to coordinate state participation in the federal market access program and to leverage federal and private funds for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.



Sec. 706. Not later than April 1, 2009, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing the department's agriculture development and export market development activities. The report shall identify grants awarded during the prior fiscal year, including a description of federal or private funds made available as a result of department activities.

Sec. 707. In awarding grants from the agricultural development fund created under the Julian-Stille value-added act, 2000 PA 322, MCL 285.301 to 285.304, the department shall give due consideration to the diversity of Michigan agriculture and its economic importance.

Sec. 708. The department is authorized to receive and expend funds appropriated from the agricultural development fund created in section 2 of the Julian-Stille value-added act, 2000 PA 322, MCL 285.302.

Sec. 709. (1) Not later than April 1, 2009, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing the activities of the grape and wine industry council established under section 303 of the Michigan liquor control act 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 prior fiscal year and the results of research grant projects completed during the prior fiscal year.

Sec. 710. The department may match external funding for domestic and international marketing programs for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.

Sec. 711. In accordance with chapter 8B of 1984 PA 270, MCL 125.2089 to 125.2089d, it is the intent of the legislature that the Michigan strategic fund, its employees, contract employees, and individuals working on its behalf collaborate with the Michigan department of agriculture to promote business development of Michigan agricultural products to achieve outcomes that include, but are not limited to, increases in export sales, increases in the number of retailers carrying Michigan commodities both within and outside of this state, and increased sales of Michigan products at chain grocers.

#### **FAIRS AND EXPOSITIONS**

Sec. 801. Within 60 days of the close of each fiscal quarter, the department shall report to the state budget director, the senate and house of representatives appropriations committees on agriculture, and the senate and house fiscal agencies on the agriculture equine industry development fund established in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. The report shall identify actual revenue and fund balance through the preceding fiscal quarter and estimated revenue and fund balance through the end of the fiscal year. The report shall identify simulcast racing revenue generated by each licensed track, license fees, and revenue generated from the casino wagering tax.

Sec. 802. From the amount appropriated in section 110 for purses and supplements - fairs/licensed tracks, \$220,000.00 is to be used for state purse supplements at state licensed pari-mutuel tracks for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

Sec. 803. Included in the appropriation made in section 110 for the thoroughbred program is \$23,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Sec. 804. From the funds appropriated in section 110 for thoroughbred owners' awards, awards shall be distributed pursuant to section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Sec. 805. On November 1, 2008 and April 1, 2009, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on the spending targets or budgeted amounts from the agriculture equine industry development fund by line item for the fiscal year ending September 30, 2009. The report shall compare the spending targets to the appropriated amounts for each line item.

Sec. 806. A county fair, district fair, 4-H fair, or state fair receiving funds in section 110 to be used for prizes or awards, in whole or in part, as a condition precedent to the receiving of the funds for those purposes, shall publish the rules relative to the prizes, awards, and deadlines for entries eligible for the funds in their official premium books or lists relative to the prizes or awards. An aggrieved exhibitor may make a written complaint to the fair within 10 days after the fair ends. If the fair has not satisfactorily settled the grievance within 45 days after it is submitted to the fair, the aggrieved person may file the complaint with the department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

Sec. 807. Of the amount appropriated in section 110 for purses and supplements - fairs/licensed tracks, a sufficient amount is appropriated to provide for overnight purse supplements pursuant to the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

Sec. 808. Of the amount appropriated in section 110 for premiums - county and state fairs, \$91,400.00 shall be expended to reimburse up to 75% premiums paid to large livestock and equine exhibitors in shows or exhibitions held by statewide associations as defined by the department. Livestock expositions shall be limited to participation in this program and

prohibited from participation in any state-funded premium programs. The Michigan horse show association fall youth show shall be included.

Sec. 809. From the appropriations for premiums - county and state fairs in section 110, \$40,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or youth education programs to promote youth involvement and adult exhibitions in the animal agriculture industry.

Sec. 811. The funds appropriated in section 110 for distribution of outstanding winning tickets are not available for expenditure until they are deposited in the Michigan agriculture equine industry development fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be expended in accordance with section 2 of 1951 PA 90, MCL 431.252. The department shall provide notice to the house and senate appropriations subcommittees on agriculture at least 10 days before the funds are expended. This notice shall include the amount that each program receives from the outstanding winning ticket revenue deposited in the Michigan agriculture equine industry development fund.

#### **OFFICE OF RACING COMMISSIONER**

Sec. 901. The racing commissioner may pay rewards of not more than \$5,800.00 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 office of racing commissioner line item.

Sec. 902. In the event there is no live thoroughbred race meet in 2008 or 2009, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2007-2008 and fiscal year 2008-2009 shall be held in escrow for a period not to exceed 18 months, or until a thoroughbred race meet license is applied for and granted by the office of racing commissioner. In the event there is no thoroughbred meet in 2008 or 2009, the purse pool distribution order to be issued by the office of racing commissioner in 2009 that delineates distribution between the thoroughbred meet that has been held at Great Lakes Downs and the joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the same distribution formula as issued in 2008, with the thoroughbred portion being held in escrow.

Sec. 903. From the funds appropriated in part 1, the office of racing commissioner shall conduct a financial audit of all licensed pari-mutuel tracks and certified horsemen's organizations and shall submit a report of the audit findings to the senate and house standing committees on agricultural issues, the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director by February 18, 2009.

#### **CAPITAL OUTLAY**

Sec. 1001. Of the amounts appropriated in part 1 for farmland and open space development acquisition, the funds shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

Sec. 1002. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 1003. 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.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

John Espinoza  
Gary McDowell  
Geoff Hansen  
Conferees for the House

Cameron Brown  
Ron Jelinek  
Martha G. Scott  
Conferees for the Senate

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsy moved that the rule be suspended.

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

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. 480****Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0****Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Cropsey moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

**House Bill No. 5809, entitled**

A bill to make appropriations for the department of labor and economic growth and certain other state purposes for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

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. 5809, entitled**

A bill to make appropriations for the department of labor and economic growth and certain other state purposes for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Recommends:

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

A bill to make appropriations for the department of labor and economic growth and certain other state purposes for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**  
**PART 1**  
**LINE-ITEM APPROPRIATIONS**

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2009, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions.....	58.5	
Full-time equated classified positions .....	4,300.0	
<b>GROSS APPROPRIATION</b> .....		\$ 1,387,394,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		30,774,200
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 1,356,620,600
Federal revenues:		
Total federal revenues.....		874,942,400
Special revenue funds:		
Total local revenues.....		15,889,200
Total private revenues.....		5,314,300
Total other state restricted revenues .....		386,914,000
State general fund/general purpose .....		\$ 73,560,700

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION**

Full-time equated unclassified positions.....	58.5	
Full-time equated classified positions .....	152.0	
Unclassified salaries .....		\$ 5,349,400
Executive director programs—48.0 FTE positions.....		5,673,200
Regulatory efficiency improvements/backlog reduction initiative.....		475,600
Property management .....		11,302,900
Rent .....		17,015,600
Worker’s compensation.....		1,227,000
Special project advances.....		940,000
Administrative services—104.0 FTE positions .....		10,744,500
Internal audit services.....		560,100
<b>GROSS APPROPRIATION</b> .....		\$ 53,288,300

Appropriated from:

Interdepartmental grant revenues:		
IDG from department of community health.....		300,000
Federal revenues:		
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....		4,652,400
DOL-ETA, unemployment insurance .....		12,582,300
DOL-ETA, workforce investment act.....		819,800
DOL, federal funds.....		1,998,700
DOL, multiple grants for safety and health .....		773,000
Federal revenues.....		579,300
HHS, titles XVIII and XIX .....		43,500
HHS, temporary assistance for needy families .....		334,400
Special revenue funds:		
Local revenues.....		131,300
Private - special project advances .....		940,000
Bank fees .....		405,400
Boiler fees .....		254,000
Construction code fund .....		1,056,500
Consumer finance fees .....		121,800
Contingent fund, penalty and interest account .....		858,100
Corporation fees .....		4,964,400
Credit union fees .....		282,900
Deferred presentment service transaction fees .....		3,000
Elevator fees .....		268,600
Fees and collections/asbestos .....		104,200

	For Fiscal Year Ending Sept. 30, 2009
Fire service fees .....	\$ 798,600
Insurance continuing education fees .....	28,900
Insurance licensing and regulation fees.....	1,631,600
Insurance bureau fund .....	860,000
Licensing and regulation fees.....	792,300
Liquor license revenue .....	100,000
Liquor purchase revolving fund .....	5,119,300
MBLSLA fund.....	121,900
Mobile home code fund.....	261,700
Michigan state housing development authority fees and charges .....	3,991,200
Motor carrier fees.....	210,600
Private occupational school license fees .....	14,000
Public utility assessments.....	2,209,800
Safety education and training fund .....	703,700
Second injury fund .....	259,000
Securities fees.....	2,926,100
Self-insurers security fund.....	87,300
Silicosis and dust disease fund.....	111,300
Tax tribunal fees .....	184,600
State general fund/general purpose .....	\$ 1,402,800
<b>Sec. 103. OFFICE OF FINANCIAL AND INSURANCE REGULATION</b>	
Full-time equated classified positions .....	348.0
Administration—35.0 FTE positions.....	\$ 6,929,200
Financial evaluation—214.0 FTE positions .....	30,306,500
Regulatory compliance and consumer assistance—99.0 FTE positions.....	15,434,500
GROSS APPROPRIATION .....	\$ 52,670,200
Appropriated from:	
Federal revenues:	
Federal regulatory project revenue .....	50,400
Special revenue funds:	
Bank fees .....	7,821,000
Captive insurance regulatory and supervision fund .....	232,500
Consumer finance fees .....	4,175,600
Credit union fees .....	5,746,600
Insurance continuing education fees .....	961,200
Insurance licensing and regulation fees.....	4,381,900
Insurance bureau fund .....	19,261,400
MBLSLA fund.....	4,724,700
Multiple employer welfare arrangement .....	72,400
Deferred presentment service transaction fees .....	2,144,500
Securities fees.....	3,098,000
State general fund/general purpose .....	\$ 0
<b>Sec. 104. PUBLIC SERVICE COMMISSION</b>	
Full-time equated classified positions .....	170.0
Administration, planning and regulation—159.0 FTE positions .....	\$ 21,925,300
Energy office—9.0 FTE positions .....	5,345,100
Children’s protection registry administration—2.0 FTE positions.....	271,400
GROSS APPROPRIATION .....	\$ 27,541,800
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants.....	4,688,100
DOT-RSPA, gas pipeline safety.....	430,000
Special revenue funds:	
Private - oil overcharge .....	30,000
Motor carrier fees.....	1,600,000
Public utility assessments.....	20,122,300

	For Fiscal Year Ending Sept. 30, 2009
Children’s protection registry fund.....	\$ 271,400
Video franchise assessments.....	400,000
State general fund/general purpose .....	\$ 0
<b>Sec. 105. LIQUOR CONTROL COMMISSION</b>	
Full-time equated classified positions .....	152.0
Management support services—28.0 FTE positions .....	\$ 3,420,500
Liquor licensing and enforcement—124.0 FTE positions.....	12,316,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 15,736,600</b>
Appropriated from:	
Special revenue funds:	
Direct shipper enhancement revolving fund.....	120,000
Liquor license revenue .....	6,373,200
Liquor purchase revolving fund .....	9,243,400
State general fund/general purpose .....	\$ 0
<b>Sec. 106. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>	
Full-time equated classified positions .....	266.0
Payments on behalf of tenants.....	\$ 145,000,000
Housing and rental assistance program—266.0 FTE positions.....	37,350,700
Michigan housing and community development fund.....	2,163,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 184,514,100</b>
Appropriated from:	
Federal revenues:	
HUD, lower income housing assistance program .....	145,000,000
Special revenue funds:	
Michigan state housing development authority fees and charges .....	37,350,700
State general fund/general purpose .....	\$ 2,163,400
<b>Sec. 107. OCCUPATIONAL REGULATION</b>	
Full-time equated classified positions .....	432.0
Code enforcement—120.0 FTE positions .....	\$ 13,192,100
Boiler inspection program—25.0 FTE positions.....	2,765,900
Fire fighters training council—8.0 FTE positions.....	1,746,400
Fire marshal program—5.0 FTE positions .....	453,100
Fire safety program—44.0 FTE positions .....	4,350,200
Elevator inspection program—30.0 FTE positions .....	2,941,800
Commercial services—167.0 FTE positions .....	19,078,700
Local manufactured housing communities inspections .....	250,000
Manufactured housing and land resources program—22.0 FTE positions .....	3,201,900
Property development group—11.0 FTE positions .....	1,576,200
<b>GROSS APPROPRIATION</b> .....	<b>\$ 49,556,300</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	100,000
IDG from department of state police, homeland security .....	709,800
Federal revenues:	
FEMA .....	28,000
DOT .....	60,000
HHS, titles XVIII and XIX .....	700,000
Special revenue funds:	
Accountancy enforcement fund.....	403,600
Boiler fee revenue .....	3,172,600
Builder enforcement fund.....	400,000
Construction code fund .....	13,076,700
Corporation fees .....	5,869,700
Elevator fees .....	3,320,500
Fire alarm fees.....	99,600
Fire service fees .....	1,717,100

	For Fiscal Year Ending Sept. 30, 2009
Homeowner construction lien recovery fund.....	\$ 1,838,200
Land sales fees .....	40,000
Licensing and regulation fees.....	10,077,800
Mobile home code fund.....	2,781,900
Unarmed combat fund .....	45,200
Property development fees .....	284,100
Survey and remonumentation fund.....	712,600
Real estate appraiser continuing education fund.....	47,000
Real estate education fund .....	272,100
Real estate enforcement fund .....	350,000
Security business fund.....	314,600
State general fund/general purpose .....	\$ 3,135,200
<b>Sec. 108. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION</b>	
Full-time equated classified positions .....	229.0
Occupational safety and health—229.0 FTE positions .....	\$ 26,264,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 26,264,300</b>
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health .....	12,227,400
Special revenue funds:	
Corporation fees .....	3,463,700
Fees and collections/asbestos .....	865,900
Safety education and training fund .....	7,867,200
Securities fees.....	1,840,100
State general fund/general purpose .....	\$ 0
<b>Sec. 109. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION</b>	
Full-time equated classified positions .....	1,251.0
Administration—96.6 FTE positions.....	\$ 9,912,500
Board of magistrates and appellate commission—19.4 FTE positions .....	3,480,600
Wage and hour division—35.0 FTE positions.....	3,090,800
Insurance funds administration—28.0 FTE positions .....	4,600,600
Supplemental benefit fund.....	820,000
Unemployment programs—1,002.7 FTE positions .....	103,928,000
Advocacy assistance program.....	1,500,000
Expanded fraud control program—33.2 FTE positions .....	3,256,200
Special audit and collections program—34.0 FTE positions .....	2,853,900
Training program for agency staff—2.1 FTE positions .....	1,808,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 135,250,700</b>
Appropriated from:	
Federal revenues:	
DOL-ETA, employment and training administration .....	679,000
DOL-ETA, unemployment insurance .....	93,615,000
Federal Reed act funds .....	4,494,500
Special revenue funds:	
Corporation fees .....	3,197,100
Contingent fund, regular penalty and interest account.....	14,557,700
Second injury fund .....	2,476,700
Securities fees.....	2,408,100
Self-insurers security fund.....	1,171,000
Silicosis and dust disease fund.....	952,900
Worker's compensation administrative revolving fund .....	2,341,000
State general fund/general purpose .....	\$ 9,357,700
<b>Sec. 110. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES</b>	
Full-time equated classified positions .....	170.5
Administrative hearings and rules—170.5 FTE positions .....	\$ 23,051,200
<b>GROSS APPROPRIATION</b> .....	<b>\$ 23,051,200</b>

For Fiscal Year  
Ending Sept. 30,  
2009

Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health.....	\$ 1,719,000
IDG from department of corrections.....	3,834,900
IDG from department of education.....	1,123,500
IDG from department of environmental quality.....	526,600
IDG from department of human services.....	4,007,800
IDG from department of management and budget.....	42,400
Federal revenues:	
DOL-ETA, unemployment insurance.....	6,774,400
DOL, multiple grants for safety and health.....	204,400
Special revenue funds:	
Construction code fund.....	295,400
Corporation fees.....	378,200
Insurance bureau fund.....	350,000
Licensing and regulation fees.....	1,074,000
Liquor purchase revolving fund.....	120,800
Mobile home code fund.....	144,600
Public utility assessments.....	1,283,800
Safety education and training fund.....	197,300
Securities fees.....	896,400
Tax tribunal fees.....	77,700
State general fund/general purpose.....	\$ 0
<b>Sec. 111. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 42,853,200
<b>GROSS APPROPRIATION.....</b>	<b>\$ 42,853,200</b>
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance.....	21,140,700
DOL, multiple grants for safety and health.....	273,700
Federal revenues.....	5,888,700
HHS, temporary assistance for needy families.....	176,300
Special revenue funds:	
Bank fees.....	300,300
Boiler fee revenue.....	329,100
Construction code fund.....	901,600
Consumer finance fees.....	142,300
Corporation fees.....	2,208,000
Credit union fees.....	208,100
Deferred presentment service transaction fees.....	5,700
Elevator fees.....	261,100
Fees and collections/asbestos.....	11,000
Fire service fees.....	602,100
Insurance bureau fund.....	843,300
Insurance continuing education fees.....	55,500
Land bank fast-track fund.....	205,700
Licensing and regulation fees.....	1,013,000
Liquor purchase revolving fund.....	2,534,600
MBLSLA fund.....	142,400
Mobile home code fund.....	74,800
Michigan state housing development authority fees and charges.....	2,547,500
Motor carrier fees.....	119,000
Public utility assessments.....	892,300
Safety education and training fund.....	504,400
Second injury fund.....	149,600
Securities fees.....	1,191,800



	For Fiscal Year Ending Sept. 30, 2009
Self-insurers security fund.....	\$ 70,300
Silicosis and dust disease fund.....	60,300
State general fund/general purpose .....	\$ 0
<b>Sec. 112. WORKFORCE DEVELOPMENT</b>	
Full-time equated classified positions .....	929.5
Employment services—246.0 FTE positions .....	\$ 48,564,700
Labor market information—52.0 FTE positions .....	6,355,500
Michigan rehabilitation services—513.5 FTE positions .....	70,535,300
Workforce programs administration—61.0 FTE positions .....	12,867,500
Jobs, education and training program—57.0 FTE positions .....	18,410,200
GROSS APPROPRIATION .....	\$ 156,733,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of human services .....	18,410,200
Federal revenues:	
DAG, employment and training.....	178,700
DED-OPSE, multiple grants.....	1,222,900
DED-OSERS, centers for independent living .....	58,200
DED-OSERS, rehabilitation long-term training .....	316,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	53,405,200
DED-OSERS, state grants for technical related assistance.....	56,000
DOL-ETA, workforce investment act.....	7,543,500
DOL, federal funds.....	48,483,300
DOL-ODEP .....	225,000
HHS, temporary assistance for needy families .....	3,321,400
HHS-SSA, supplemental security income.....	3,764,400
Special revenue funds:	
Local revenue .....	4,274,100
Local vocational rehabilitation match .....	2,684,500
Private - gifts, bequests, and donations .....	816,000
Contingent fund, penalty and interest account .....	1,814,200
Rehabilitation services fees .....	1,349,200
Second injury fund .....	51,500
Student fees .....	308,000
Training materials fees .....	256,400
State general fund/general purpose .....	\$ 8,193,600
<b>Sec. 113. CAREER EDUCATION PROGRAMS</b>	
Full-time equated classified positions .....	30.0
Postsecondary education—14.0 FTE positions .....	\$ 2,908,000
Adult education—16.0 FTE positions .....	2,500,200
GROSS APPROPRIATION .....	\$ 5,408,200
Appropriated from:	
Federal revenues:	
Federal revenues.....	3,805,900
Special revenue funds:	
Private occupational school license fees .....	635,800
Defaulted loan collection fees .....	100,000
State general fund/general purpose .....	\$ 866,500
<b>Sec. 114. DEPARTMENT GRANTS</b>	
Adult basic education .....	\$ 20,000,000
Carl D. Perkins grants .....	19,000,000
Focus: HOPE.....	5,860,200
Gear-up program grants.....	3,000,000
Workforce training programs subgrantees.....	250,028,600
Personal assistance services .....	459,500
Vocational rehabilitation client services/facilities .....	55,919,000

	For Fiscal Year Ending Sept. 30, 2009
Vocational rehabilitation independent living .....	\$ 3,579,700
Welfare-to-work programs .....	107,733,600
Fire protection grants .....	10,910,500
Low-income energy efficiency assistance .....	80,000,000
Liquor law enforcement grants .....	6,600,000
Remonumentation grants .....	11,000,000
Private grant programs .....	3,000,000
Michigan nursing corps .....	5,000,000
GROSS APPROPRIATION .....	\$ 582,091,100
Appropriated from:	
Federal revenues:	
DAG, employment and training .....	7,000,000
DED-OESE, gear-up .....	3,000,000
DED-OSERS, centers for independent living .....	450,200
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....	35,797,900
DED-OSERS, rehabilitation services facilities .....	2,272,500
DED-OSERS, supported employment .....	1,541,300
DED-OSERS, state grants for technical related assistance .....	2,240,800
DED-OVAE, adult education .....	20,000,000
DED-OVAE, basic grants to states .....	19,000,000
DOL-ETA, workforce investment act .....	225,602,700
DOL, federal funds .....	24,425,900
HHS-SSA, supplemental security income .....	3,480,600
HHS, temporary assistance for needy families .....	72,299,000
Special revenue funds:	
Local vocational rehabilitation facilities match .....	1,278,300
Local vocational rehabilitation match .....	7,000,000
Private - gifts, bequests, and donations .....	400,000
Private revenue .....	3,000,000
Contingent fund, penalty and interest account .....	1,000,000
Corporation fees .....	500,000
Low-income energy efficiency fund .....	80,000,000
Fire protection fund .....	8,500,000
Liquor purchase revolving fund .....	2,410,500
Liquor license revenue .....	6,600,000
Survey and remonumentation fund .....	11,000,000
State general fund/general purpose .....	\$ 43,291,400
<b>Sec. 115. BOARDS, AUTHORITIES, AND COMMISSIONS</b>	
Full-time equated classified positions .....	170.0
MES board of review program—18.0 FTE positions .....	\$ 2,343,200
Rights-of-way oversight authority—5.0 FTE positions .....	560,500
Land bank fast-track authority—6.0 FTE positions .....	1,825,000
Commission on Spanish-speaking affairs—2.0 FTE positions .....	252,700
Commission on disability concerns—7.0 FTE positions .....	1,138,100
Commission for the blind—96.0 FTE positions .....	19,684,900
Utility consumer representation .....	950,000
Youth low-vision program .....	241,800
Tax tribunal operations—15.0 FTE positions .....	2,028,300
Employment relations and labor relations—21.0 FTE positions .....	3,411,100
GROSS APPROPRIATION .....	\$ 32,435,600
Appropriated from:	
Federal revenues:	
Federal revenue .....	14,882,900
EEOC, federal funds .....	10,000
DOL-ETA, unemployment insurance .....	2,343,200

	For Fiscal Year Ending Sept. 30, 2009
Special revenue funds:	
Private revenues.....	\$ 128,300
Local revenues.....	521,000
Corporation fees.....	223,100
Land bank fast-track funds.....	1,825,000
METRO authority fund.....	560,500
Securities fees.....	3,704,000
State restricted revenues.....	635,200
Tax tribunal fees.....	1,502,300
Utility consumer representation fund.....	950,000
State general fund/general purpose.....	\$ 5,150,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$460,474,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$48,655,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

Fire protection grants.....	\$ 10,910,500
Liquor law enforcement.....	6,600,000
Local manufactured housing inspections.....	250,000
Remonumentation grants.....	11,000,000
Fire fighters training council.....	1,660,800
Welfare to work.....	18,234,500
Total department of labor and economic growth.....	\$ 48,655,800

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DED" means the United States department of education.
- (c) "DED-OESE" means the DED office of elementary and secondary education.
- (d) "DED-OPSE" means the DED office of postsecondary education.
- (e) "DED-OSERS" means the DED office of special education rehabilitation services.
- (f) "DED-OVAE" means the DED office of vocational and adult education.
- (g) "Department" means the department of labor and economic growth.
- (h) "Director" means the director of the department of labor and economic growth.
- (i) "DOE" means the United States department of energy.
- (j) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (k) "DOL" means the United States department of labor.
- (l) "DOL-ETA" means the DOL employment and training administration.
- (m) "DOL-ODEP" means the DOL office of disability employment policy.
- (n) "DOT" means the United States department of transportation.
- (o) "DOT-RSPA" means the DOT research and special programs administration.
- (p) "EEOC" means equal employment opportunity commission.
- (q) "FEMA" means federal emergency management agency.
- (r) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (s) "FTE" means full-time equated.
- (t) "HHS" means the United States department of health and human services.
- (u) "HHS-SSA" means HHS social security administration.
- (v) "HUD" means the United States department of housing and urban development.
- (w) "IDG" means interdepartmental grant.
- (x) "MBLSLA" means mortgage brokers, lenders, and servicers licensing act.
- (y) "MES" means Michigan employment security.
- (z) "METRO" means metropolitan extension telecommunications rights-of-way oversight.
- (aa) "MIOSHA" means Michigan occupational safety and health administration.

(bb) "SOAHR" means the state office of administrative hearings and rules.

(cc) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 208. The department shall use the Internet to fulfill the reporting requirements of this act. 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 that 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. 211. The department shall establish and maintain affirmative action programs based on the guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars in compliance with section 26 of article I of the state constitution of 1963.

Sec. 213. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 215. (1) The department shall report no later than April 1, 2009 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, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt 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.

(3) 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. 216. It is the intent of the legislature that all revenue sources for funds appropriated in part 1 shall not be aggregated into general categories and shall be specifically identified and detailed as much as possible.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, 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 senate and house of representatives standing committees on appropriations, the senate and house 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. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 220. 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.

Sec. 221. 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. 222. The department shall review the determinations of the legislative commission on governmental efficiency for applicability to the operations of the department and the estimated costs and benefits of implementing the recommendations.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$30,500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act 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 \$13,200,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act 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 \$8,180,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act 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 \$550,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 224. 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.

## **REGULATORY**

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund and the fire protection fund 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. 302. The funds collected by the office of financial and insurance regulation in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, 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 funds collected by the department from corporations being liquidated pursuant to 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. 304. 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, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget director and the subcommittees that states the amount of revenue received from the sale of information.

Sec. 306. The Michigan state housing development authority 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. 308. 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. The department shall submit a report on an annual basis to the state budget director and the subcommittees on the amount of funds available under this section.

Sec. 310. Money appropriated under this act 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:

<u>Facility type</u>	<u>Operation and maintenance inspection fee</u>	<u>Fee</u>
Hospitals	<u>Facility size</u> Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>		<u>Fee</u>
\$101,000.00 or less		minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00		\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00		\$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. 311. For the fiscal year ending September 30, 2009, surplus corporation fees in the amount of \$3,000,000.00 are appropriated to the state construction code fund.

Sec. 313. If the revenue collected by the department from licensing and regulation fees collected by the office of commercial services exceeds the amount expended from appropriations in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 314. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget director and the subcommittees of the purpose and amount of each grant award.

Sec. 315. 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. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section 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 subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.
- (c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.
- (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; 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, 1964 PA 265, MCL 451.501 to 451.818.
- (e) Labor law books.
- (f) Worker’s compensation health care services rules.

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Sec. 317. The department, MIOSHA, shall provide an annual report by February 1 of each year to the state budget director, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 326. (1) The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients.

(2) Revenue collected by the Michigan commission for the blind 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. 335. (1) The public service commission shall implement a process for the low-income energy efficiency fund grants that shall require an application deadline of May 1 and the award announcements on October 1 of each year.

(2) The public service commission shall report by November 1 2009 to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

Sec. 336. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance regulation.

Sec. 337. The department shall not expend funds from the appropriations in part 1 for the office of financial and insurance regulation for the purpose of implementing prohibitions on the use of credit scoring in establishing insurance premiums by insurance companies until the legislature has, by statute, authorized such a prohibition.

Sec. 340. The office of financial and insurance regulation shall provide copies of the quarterly and annual financial filings of health maintenance organizations to the fiscal agencies on a timely basis. Reports can be transmitted electronically if available in that format.

Sec. 350. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

(2) As used in this section, "covered person" means that term as defined in section 3 of the patient's right to independent review act, 2000 PA 251, MCL 550.1903.

Sec. 352. From the funds appropriated in part 1 for unclassified salaries, the department shall provide funding for 5 worker's compensation appellate commissioners and 26 worker's compensation board of magistrates. Expenditures shall be made so that the 2 bodies shall decide worker's compensation cases in a timely manner.

Sec. 355. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

(2) On March 1, 2009 and September 1, 2009, the department shall provide a report to the fiscal agencies and appropriations subcommittees of any staffing time or activities regarding the development of a voluntary or mandatory, or both, ergonomic standard, whether contained in rules, guidelines, policy directives, or bulletins.

Sec. 356. The Michigan commission for the blind shall work collaboratively with service organizations and government entities to identify qualified match dollars to maximize use of available federal funds.

Sec. 357. The department may resume printing the real estate law and rules book (red book). The red book shall include, but is not limited to, real estate laws and regulations and related statutes. The red book will be provided at no charge to actively licensed real estate brokers, associate brokers, and salespersons. Any other party seeking a copy of the red book may purchase the book from the bureau of commercial services at the bureau's cost to produce the book or may print the bureau's Internet version of the red book at no cost.

Sec. 358. The real estate education fund created in section 37 of the state license fee act, 1979 PA 152, MCL 338.2237, and administered by the department shall allow prelicensure and postlicensure education to be delivered through online courses by a community college, university, or private school, after licensure and approval by the department. Expenditures from this fund may also be made to support department grants for educational providers to establish online courses that would be made available to students throughout the year.

Sec. 361. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the 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.

Sec. 362. Of the funds appropriated in part 1 for the department, up to \$200,000.00 may be used for administration and enforcement of boxing regulation in Michigan.

Sec. 364. The department and MSHDA shall report to the subcommittees, the state budget director, and the fiscal agencies by January 1 on the status of the loans entered into by the Michigan broadband development authority.

Sec. 365. From the funds appropriated in part 1 for Michigan occupational safety and health consultation education and training (CET) grants, not less than \$40,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan.

Sec. 368. Funds collected by 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. The funds appropriated under this section 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. 369. The video franchise assessment fund is created and shall exist in the state treasury and shall receive revenue as provided in the uniform video services local franchise act, 2006 PA 480, MCL 484.3301 to 484.3314. All interest and earnings of the fund may be retained by the fund per the direction of the state treasurer. Money in the fund at the close of the fiscal year may carry forward to the new fiscal year and be used as the first source of funds in the subsequent fiscal year.

Sec. 370. MSHDA shall provide a report to the subcommittees, the fiscal agencies, and the state budget director by June 1 on the cities of promise blight elimination program. The report shall include:

- (a) The amount awarded to each designated city.
- (b) A description of the projects in each designated city.
- (c) The amount of private or local funds that were used as match for these projects.

Sec. 377. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

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

Sec. 378. It is the intent of the legislature that the SOAHR work with the center for civil justice to implement, not later than March 31, 2009, a system of public access to Medicaid, cash, emergency, and food assistance decisions and orders via the Internet.

Sec. 379. The department shall report by October 31, 2009, regarding the teacher tenure cases considered by the SOAHR. The department shall report the number of cases that have been filed and are waiting final disposition as of September 30, 2008 and September 30, 2009.

#### **WORKFORCE AND CAREER DEVELOPMENT**

Sec. 401. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 402. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112.

Sec. 403. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Sec. 404. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living that are in compliance with federal standards for such centers, for technical assistance to centers, by existing sites to assist in serving underserved areas, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan disability network and the local workforce development boards to identify other competitive sources of funding.

(2) As a condition of receipt of funds appropriated in part 1, the statewide independent living council and the Michigan disability network shall jointly produce a report providing the following information:

(a) Results in terms of enhanced statewide access to independent living services to individuals who do not have access to such services through other existing public agencies, including measures by which these results can be monitored over time. These measures shall include:

- (i) Total number of persons assisted by the centers and a comparison to the number assisted in the previous year.
- (ii) Number of persons moved out of nursing homes into independent living situations and a comparison to the number assisted in the previous year.
- (iii) Number of persons for whom accommodations were provided to enable independent living or access to employment and a comparison to the number assisted in the previous year.
- (iv) The total number of disabled individuals served by personal care attendants and the number of personal care attendants provided through the use of any funds appropriated in part 1 administered by a center for independent living and a comparison to the number served in the previous year.



(b) Information from each center for independent living receiving funding through appropriations in part 1 detailing their total budget for their most recently completed fiscal year as well as the amount within that budget funded through the vocational rehabilitation independent living grant program referenced in part 1, the total amount funded through other state agencies, the amount funded through federal sources, and the amount funded through local and private sources.

(c) Savings to state taxpayers in other specific areas that can be shown to be the direct result of activities funded from the vocational rehabilitation independent living grant program during the most recently completed state fiscal year.

(3) The report required in subsection (2) shall be submitted to the subcommittees, the fiscal agencies, and the state budget director on or before January 30.

Sec. 405. The department shall administer the work first program in accordance with the requirements of the social security act, title IV, section 407(d), the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 406. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first participants, whose department of human services program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

- (a) The number and percentage employed.
- (b) The average hourly wage of those employed.
- (c) The current hourly wage of those employed.
- (d) The range of wages earned by those employed.
- (e) The number of individuals that earned each wage amount.
- (f) The number and percentage receiving health care benefits from their employer.
- (g) The number and percentage receiving tuition reimbursement from their employer.
- (h) The number and percentage receiving training benefits from their employer.
- (i) The type of jobs obtained by former participants in general categories.
- (j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.
- (k) The number and percentage continuing to receive any type of public assistance.
- (l) If the former recipient has children, whether the children are enrolled in and attending school.
- (m) The extent to which the former participant feels that he or she and his or her family are better off now than when he or she was on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.

(2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15 of the location of the Internet site where the report containing the identified data is located.

(3) The department shall cooperate with the department of human services in formulating and acquiring the identified data.

(4) The department may retain a third party to conduct the studies to obtain the data identified under this section.

Sec. 407. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, parents of public school pupils, and, at the board's discretion, representatives of organizations that provide school-based curriculum and youth programs focusing on entrepreneurship, work-readiness skills, and financial literacy.

Sec. 409. Within 10 days after the receipt of a grant appropriated in the private grant funded projects line item in part 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 funding source, purpose, and amount of the grant.

Sec. 410. (1) The department 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.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties.

(3) The department shall require each Michigan works! service center to have an employee available to ask each individual who requires intensive services beyond core services, as defined by section 134 of the workforce investment act of 1998, 29 USC 2864, whether that individual is a veteran. The employee shall refer any veteran needing or requesting veterans services to the disabled veterans outreach program specialist or local veterans employment representative assigned to the center.

(4) The department shall require that each Michigan works! service center shall have posted in a conspicuous place within the office a notice advising veterans that a disabled veterans outreach program specialist or a local veterans employment representative is available to assist him or her.

(5) The department shall require each Michigan works! service center to provide free mediated services to employers wishing to hire a veteran.

(6) The department shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 415. Of the amounts appropriated in part 1 for postsecondary education, private occupational school license fees shall fund related administrative costs of the proprietary schools oversight unit within the department.

Sec. 417. The department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 418. From the funds appropriated in part 1 for postsecondary education, the department shall compile data from each university that receives funding for the future faculty program within the King-Chavez-Parks initiative on employment outcomes for program participants. The report shall be distributed to the house and senate appropriations committees, the fiscal agencies, and the state budget director by February 1 of each year. The report shall include data from each participating university covering the most recently completed fiscal year. The data shall include all of the following:

- (a) The number of participants receiving support under the program.
- (b) The number of participants obtaining full-time employment.
- (c) The number of participants obtaining full-time employment in college faculty positions.
- (d) The number of participants obtaining full-time employment in college faculty positions within the university through which they received future faculty program support for graduate studies.

Sec. 421. The King-Chavez-Parks initiative shall be marketed by the department to Michigan parents and high school and college students, to promote the benefits and the availability of the college day, select student support services, college/university partnership, visiting professors, Morris Hood, Jr. educator development, and future faculty programs. The department shall provide electronic notification of the location of the report on the Internet to the subcommittees by December 30 of each year, identifying all efforts taken to market these programs, including, but not limited to, the amount of funding allocated for this purpose, the fund source, and any expenditures or encumbrances relating to this marketing effort.

Sec. 427. The youth low-vision program is considered the payer of last resort. Other available public or private insurance coverage, including Medicaid or MICHild, and special education funds, shall be exhausted prior to using any funds appropriated in part 1 to purchase low-vision devices or equipment for an individual.

Sec. 429. (1) As a condition for receipt of the funds appropriated in part 1, Focus: HOPE shall submit a report on the use of the grant's funds appropriated in the prior fiscal year to the chairs of the subcommittees, the fiscal agencies, and the state budget director that includes, but is not limited to, the following:

- (a) Detailed expenditures for administration including salaries and wages of employees.
- (b) Amount allocated for education and training programs including number of students served by each program.
- (c) Amount allocated for job search assistance and career planning including the number of students served by each program.
- (d) Detailed expenditures for any contracts entered into with the use of these funds.
- (e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.

(2) The report shall be submitted on or before January 31.

Sec. 431. (1) From the appropriation in part 1 for the Michigan nursing corps, grants shall be awarded to Michigan institutions of higher education consisting of public 4-year institutions, public 2-year institutions, independent colleges and universities, and tribally controlled community colleges with existing, accredited nursing baccalaureate or postgraduate education programs. The purpose of the grants is to prepare registered nurses and increase the number of nursing faculty. The department may also award grants on a cash or in-kind matching basis to licensed hospitals that agree to provide nurse educators and related clinical training to additional student nurses in partnership with institutions of higher education described in this subsection. Awards shall be made in a manner and form as determined by the department, in collaboration with the department of community health.

(2) One or more grants may be awarded to educational institutions for preparation of additional nurse faculty in programs that meet 1 or more of the following:

(a) Preparation of master's-degreed nursing faculty in a nationally accredited, accelerated program. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(b) Preparation of doctoral-degreed nursing faculty in an accelerated program within an existing, accredited doctor of philosophy in nursing program. Participants must be currently enrolled doctoral students who will be able to complete their doctoral degree program within 2 years. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(c) Preparation of clinical instructors for nursing education programs. A common statewide curriculum will be developed by a consortium of the grantee institutions. The program shall include classroom instruction plus a practicum with students and patients. This program shall require collaborative agreements between nursing education programs and hospitals. It is expected that each graduate will provide clinical instruction for at least 1 cohort of nursing students per year.

(3) A program receiving a grant under subsection (2) shall provide that eligible participating students under subsection (2) are registered nurses willing to participate full-time in accredited programs and become employed in Michigan as nursing faculty or clinical instructors for a minimum number of years, as determined by the department of community health, upon completion of the program. The department of community health shall establish procedures for recovery of funds from students who do not remain employed in Michigan for the prescribed time period.

(4) One or more grants may be awarded for preparation of registered nurses in accredited, accelerated bachelor's in nursing programs. These programs shall be targeted toward Michigan workers who have been displaced from employment and who possess a bachelor's degree in a science-related area. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(5) Program management, data management, and evaluation for these projects shall be the responsibility of the department of community health, in collaboration with the department.

(6) The department and the department of community health shall work to increase the amount of federal funds for nurse education available to the state, eligible grantees described in subsection (1), and nursing students.

(7) The funds appropriated in part 1 for the Michigan nursing corps are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for the expenditure of grants until the project has been completed. The total cost of the work project is estimated at \$5,000,000.00 and the tentative completion date is September 30, 2010.

Sec. 432. (1) Of the funds appropriated in part 1 for the workforce training programs subgrantees, the department shall provide a report by December 15, 2009 to the house and senate chairs of the subcommittees, the state budget director, and the fiscal agencies on the status of the no-worker-left-behind program. The report shall include the following:

(a) The amount of funding allocated to each Michigan works! agency and the total funding allocated to the no-worker-left-behind program statewide by fund source.

(b) The number of participants enrolled in the program by each Michigan works! agency.

(c) The average duration of training for 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.

(2) Data collection for the report shall be for the period October 1, 2008 through September 30, 2009.

(3) The department shall do a final report for the fiscal year 2007-2008 that contains the information included in subsections (1) and (2) for the period of October 1, 2007 through September 30, 2008. The report shall be provided to the house and senate chairs of the subcommittees and the fiscal agencies by December 15, 2008.

Sec. 432a. (1) Of the funds appropriated in part 1 for workforce training programs subgrantees, \$15,000,000.00 general fund/general purpose revenue shall be used for the no-worker-left-behind program, to be distributed as follows:

(a) At least \$2,500,000.00 but not more than \$5,000,000.00 shall be used to provide adult basic education, remedial education, or other training for individuals not ready for postsecondary education, in order to prepare these individuals for postsecondary training and new careers.

(b) At least \$2,500,000.00 but not more than \$5,000,000.00 shall be used to increase the capacity of community colleges and other public associate's degree-granting institutions in this state to provide education and training to individuals receiving assistance under the program. Funding shall be provided to these educational institutions based on a competitive bidding process. The department shall establish criteria for awarding grants pursuant to the competitive bidding process that shall include all of the following:

(i) Collaboration among multiple educational institutions.

(ii) The expansion of online learning opportunities.

(iii) Collaboration among employers, employer organizations, and local workforce investment boards.

(iv) The expansion of existing programs or creation of new programs to meet existing or emerging training needs.

(v) A requirement that grant proposals include projected specific program outcomes.

(c) Of the remaining funds, the department shall provide individuals with direct training in in-demand occupations, as determined by local workforce investment boards. These funds shall be distributed to local Michigan works! agencies based on demonstrated need. In distributing these funds, the department shall ensure funds are used for individuals who are ready for training in in-demand occupations and for whom training slots are available. Any Michigan works! agency receiving these funds shall reserve a portion, or otherwise assure that it has sufficient resources, to pay for the full course of approved training for each individual served.

(2) The department shall convene a workgroup composed of individuals with expertise in adult education, community college leaders, and other interested parties to develop plans to increase collaboration among all parties involved in adult education.

(3) The department shall develop a data collection system that provides information on a real-time basis on available training for the top 50 occupations requiring postsecondary education that are most in demand by Michigan employers.

(4) In distributing funds for worker training and education, the department shall seek to maximize participation among food stamp recipients in order to obtain matching funds under the federal food stamp employment and training program established under chapter 51, title 7 of the United States Code, 7 USC 2011, et seq. The department shall also distribute funds in a manner that leverages other federal funds as well as funds from private and local sources.

(5) No later than March 1, the department shall submit a report to the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the state budget office on the distribution of the \$15,000,000.00 general fund/general purpose appropriation. The report shall include:

(a) The total amount distributed under subsection (1)(a) and (c) by Michigan works! agencies.

(b) The total amount distributed under subsection (1)(b) by community colleges.

(c) The balance remaining in the work project account.

(d) Detailed information on the number of food stamp recipients receiving training and education assistance, and the amount of federal funds leveraged through the food stamp employment and training program.

(6) The \$15,000,000.00 general fund/general purpose revenue appropriated in part 1 for the no-worker-left-behind program is designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for expenditure until September 30, 2010.

Sec. 433. (1) The department shall use all relevant data sources available to compile data on participants in the JET program. The report shall include the following:

(a) How many participants were enrolled in training.

(b) How many participants completed training.

(c) How many participants completed training and were employed as a result of that training.

(d) How many cases were closed.

(e) How many cases were referred to Michigan rehabilitation services.

(f) How many case referrals were opened for service by Michigan rehabilitation services.

(2) The department shall provide separate reports for the periods January 1, 2008 through September 30, 2008 and October 1, 2008 through September 30, 2009.

(3) The report shall be submitted by March 1 to the subcommittees and the fiscal agencies.

(4) The department shall cooperate with the department of human services in formulating and acquiring the identified data.

(5) The department may retain a third party to conduct the studies to obtain data identified under this section.

Sec. 434. (1) The department shall collaborate with the state board of education, the department of human services, the department of community health, and the department of history, arts, and libraries to extend the duration of the Michigan after-school partnership, and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 may be used to support the Michigan after-school partnership. Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The cochairs, representing the department, the state board of education, the department of human services, the department of history, arts, and libraries and the department of community health shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the department. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and governor.

Sec. 435. The department shall ensure that school districts and career preparation programs operated by school districts are eligible education providers under the no-worker-left-behind program and programs funded by the federal workforce investment act.

Sec. 437. Of the funds appropriated in part 1 for the welfare to work programs, \$200,000.00 shall be allocated for not more than 1 grant for the expansion of an existing innovative, employer lead, private/public workforce development program. Grants may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for this grant funding, a program must meet the following criteria:

(a) Focus on retaining low-wage workers receiving public assistance.

(b) Meet or exceed 80% retention rate.

(c) Include more than 1 employer.

(d) Employer-sited department of human services caseworker.

(e) Receive Federal TANF to pay for 50% of on-site caseworker.

(f) Employer must contribute 50% of on-site DHS worker costs.

(g) Provide life skill and skills training toward advancing workers to mid-skill jobs.

(h) Has regional impact across more than 3 counties.

(i) Include strategic partnerships with counties, community colleges, and other nonprofits.

Sec. 438. (1) From the funds appropriated in part 1 to the Michigan housing and community development fund, \$2,163,400.00 is hereby appropriated from the fund to the Michigan state housing development authority (MSHDA) for projects as described in sections 58c and 58d of the state housing development authority act of 1966, 1966 PA 346, MCL125.1458c and 125.1458d.

(2) MSHDA shall report by May 1 to the subcommittees, fiscal agencies, and the state budget director on the status of the projects described in subsection (1), including the statewide allocation plan, number of applicants, amounts requested, description of projects, amounts awarded, number of housing units that have been or are projected to be created, and income levels of the households that have been or are projected to be served.

Sec. 439. It is the intent of the legislature that the department work with career alliance and other interested Michigan works! agencies to implement the career prep program developed pursuant to section 437 of 2007 PA 118.

Sec. 440. It is the intent of the legislature that a portion of the workforce investment act, statewide activities funds be allocated to support coordinated efforts between local Michigan works! agencies and police and sheriff departments to create programs that offer gang diversion activities and support services to at-risk youth in Wyoming, Benton Harbor, and Detroit.

Sec. 442. (1) In addition to the funds appropriated in part 1, there is appropriated up to \$30,000,000.00 to the department contingent upon the receipt of temporary assistance for needy families contingency funds in fiscal year 2008, and subsequent carryforward of temporary assistance for needy families block grant revenues in fiscal year 2009, and upon certification by the state budget director that the funds are available for expenditure. The funds shall be allocated as follows:

(a) Of the funds appropriated in this subsection, \$2,000,000.00 shall be allocated to the Michigan housing and community development fund. These funds shall then be allocated to the Michigan state housing development authority for the same purposes as section 438.

(b) Remaining funds appropriated in this subsection shall be allocated to the jobs, education and training program for enhanced employment and training services.

(2) The department shall report to the subcommittees and fiscal agencies within 15 days of making an appropriation under this section. The report shall include the amount of the appropriation, the amount allocated to each of the programs described in subsection (1), and a description of the activities for which the funds are expected to be used.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of labor and economic growth and certain other state purposes for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Richard Hammel  
Joan Bauer  
Conferees for the House

Mark Jansen  
Thomas M. George  
Martha G. Scott  
Conferees for the Senate

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsy moved that the rule be suspended.

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

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. 481

#### Yeas—34

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsy	Jelinek	Schauer
Basham	Garcia	Kahn	Scott
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski

Brater  
Brown  
Cherry

Gleason  
Hardiman  
Hunter

Olshove  
Pappageorge

Thomas  
Van Woerkom

**Nays—3**

Cassis

Patterson

Sanborn

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Cropsey moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

**House Bill No. 5810, entitled**

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2009; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

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. 5810, entitled**

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2009; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

Recommends:

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

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2009; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**  
**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**JUDICIARY**

**APPROPRIATION SUMMARY:**

Full-time equated exempted positions .....	491.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 262,884,000</b>

	For Fiscal Year Ending Sept. 30, 2009
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 3,553,500
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 259,330,500</b>
Federal revenues:	
Total federal revenues.....	5,126,400
Special revenue funds:	
Total local revenues.....	6,093,100
Total private revenues.....	842,500
Total other state restricted revenues .....	87,947,900
State general fund/general purpose .....	\$ 159,320,600
<b>Sec. 102. SUPREME COURT</b>	
Full-time equated exempted positions .....	243.0
Supreme court administration—97.0 FTE positions .....	\$ 11,049,700
Judicial institute—13.0 FTE positions .....	2,671,700
State court administrative office—60.0 FTE positions .....	11,301,900
Judicial information systems—22.0 FTE positions.....	3,230,700
Direct trial court automation support—36.0 FTE positions.....	6,093,100
Foster care review board—12.0 FTE positions .....	1,267,100
Community dispute resolution—3.0 FTE positions .....	2,292,700
Other federal grants.....	275,000
Drug treatment courts.....	5,178,800
Pilot mental health court programs .....	550,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 43,910,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health.....	1,800,000
IDG from department of corrections.....	1,030,000
IDG from state police - Michigan justice training fund.....	300,000
Federal revenues:	
DOJ, victims assistance programs .....	50,000
DOJ, drug court training and evaluation .....	300,000
DOT, national highway traffic safety administration .....	1,300,000
HHS, access and visitation grant.....	387,000
HHS, children’s justice grant .....	206,300
HHS, court improvement project.....	1,160,000
HHS, title IV-D child support program.....	907,700
HHS, title IV-E foster care program .....	540,400
Other federal grant revenues .....	275,000
Special revenue funds:	
Local - user fees.....	6,093,100
Private.....	169,000
Private - interest on lawyers trust accounts.....	232,700
Private - state justice institute .....	370,800
Community dispute resolution fund .....	2,292,700
Law exam fees.....	536,200
Drug court fund .....	1,920,500
Miscellaneous revenue.....	227,900
Justice system fund.....	700,000
State court fund .....	339,000
State general fund/general purpose .....	\$ 22,772,400
<b>Sec. 103. COURT OF APPEALS</b>	
Full-time equated exempted positions .....	190.0
Court of appeals operations—190.0 FTE positions .....	\$ 19,207,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 19,207,900</b>

For Fiscal Year  
Ending Sept. 30,  
2009

Appropriated from:	
Special revenue funds:	
Court filing/motion fees .....	\$ 1,958,500
Miscellaneous revenue.....	77,800
State general fund/general purpose .....	\$ 17,171,600
<b>Sec. 104. BRANCHWIDE APPROPRIATIONS</b>	
Full-time equated exempted positions .....	4.0
Branchwide appropriations—4.0 FTE positions.....	\$ 7,882,800
GROSS APPROPRIATION .....	\$ 7,882,800
Appropriated from:	
State general fund/general purpose .....	\$ 7,882,800
<b>Sec. 105. JUSTICES' AND JUDGES' COMPENSATION</b>	
Full-time judges positions .....	617.0
Supreme court justices' salaries—7.0 judges .....	\$ 1,152,300
Court of appeals judges' salaries—28.0 judges .....	4,240,300
District court judges' state base salaries—258.0 judges .....	23,877,200
District court judicial salary standardization.....	11,796,800
Probate court judges' state base salaries—103.0 judges .....	9,627,900
Probate court judicial salary standardization.....	4,669,700
Circuit court judges' state base salaries—221.0 judges .....	20,817,200
Circuit court judicial salary standardization.....	10,105,000
Judges' retirement system defined contributions .....	3,556,700
OASI, social security.....	5,353,900
GROSS APPROPRIATION .....	\$ 95,197,000
Appropriated from:	
Special revenue funds:	
Court fee fund .....	7,090,200
State general fund/general purpose .....	\$ 88,106,800
<b>Sec. 106. JUDICIAL AGENCIES</b>	
Full-time equated exempted positions .....	7.0
Judicial tenure commission—7.0 FTE positions.....	\$ 1,013,100
GROSS APPROPRIATION .....	\$ 1,013,100
Appropriated from:	
State general fund/general purpose .....	\$ 1,013,100
<b>Sec. 107. INDIGENT DEFENSE - CRIMINAL</b>	
Full-time equated exempted positions .....	47.0
Appellate public defender program—39.0 FTE positions.....	\$ 5,075,100
Appellate assigned counsel administration—8.0 FTE positions .....	941,500
GROSS APPROPRIATION .....	\$ 6,016,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from state police - Michigan justice training fund.....	423,500
Special revenue funds:	
Private - interest on lawyers trust accounts.....	70,000
Miscellaneous revenue.....	113,100
State general fund/general purpose .....	\$ 5,410,000
<b>Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE</b>	
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
<b>Sec. 109. TRIAL COURT OPERATIONS</b>	
Court equity fund reimbursements .....	\$ 67,403,900
Judicial technology improvement.....	4,465,000
GROSS APPROPRIATION .....	\$ 71,868,900



For Fiscal Year  
Ending Sept. 30,  
2009

Appropriated from:	
Special revenue funds:	
Court equity fund .....	\$ 50,440,000
Judicial technology improvement fund .....	4,465,000
State general fund/general purpose .....	\$ 16,963,900
<b>Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT</b>	
Drug case-flow program .....	\$ 250,000
Drunk driving case-flow program .....	3,000,000
Juror compensation reimbursement .....	6,600,000
GROSS APPROPRIATION .....	\$ 9,850,000
Appropriated from:	
Special revenue funds:	
Drug fund .....	250,000
Drunk driving fund .....	3,000,000
Juror compensation fund .....	6,600,000
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$247,268,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$124,193,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

JUDICIARY

SUPREME COURT

State court administrative office .....	\$ 511,900
Drug treatment courts .....	4,878,800

TRIAL COURT OPERATIONS

Court equity fund reimbursements .....	\$ 67,403,900
Judicial technology improvement fund .....	4,465,000

JUSTICES' AND JUDGES' COMPENSATION

District court judicial salary standardization .....	\$ 11,796,800
Probate court judges' state base salaries .....	9,627,900
Probate court judicial salary standardization .....	4,669,700
Circuit court judicial salary standardization .....	10,105,000
Grant to OASI contribution fund, employers share, social security .....	884,800

GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT

Drunk driving case-flow program .....	\$ 3,000,000
Drug case-flow program .....	250,000
Juror compensation reimbursement .....	6,600,000
TOTAL .....	\$ 124,193,800

Sec. 202. (1) The appropriations authorized under this act 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 act:

- (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.

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. 208. The reporting requirements of this act shall be completed with the approval of, and at the direction of, the supreme court. The judicial branch shall use the Internet to fulfill the reporting requirements of this act. 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. 212. As a condition of expending appropriations made under part 1, the judicial branch shall receive and retain copies of all reports funded from appropriations in part 1 and shall follow federal and state guidelines for short-term and long-term retention of such reports and records.

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. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the chief justice or his or her designee may grant an exception to allow the travel. Any exceptions granted by the chief justice or his or her designee shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, the state court administrative office shall prepare a travel report 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 of representatives standing committees on appropriations, the senate and house 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. 216. (1) The judicial branch shall report no later than April 1, 2009 on each specific policy change made to implement a public act affecting the judicial branch that took effect during the prior calendar year to the house and senate appropriations subcommittees on the judicial branch budget, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the judicial branch to adopt 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 judicial branch 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.

(3) 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. 218. The judicial branch shall not approve the travel of more than 1 judicial 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 the judicial branch to attend, or the conference or training seminar includes multiple issues in which 1 employee from the judicial branch does not have expertise.

**JUDICIAL BRANCH**

Sec. 301. (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. A report of amounts collected in excess of funds identified as user service charges in part 1 shall be submitted to the state budget director and to the house and senate appropriations subcommittees on judiciary 30 days before expenditure by the direct trial court automation support program.

(2) From funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall provide to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies before January 1 of each year a detailed list of user service charges collected during the immediately preceding state fiscal year.

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, \$325,000.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and \$186,900.00 is allocated for court of claims reimbursement under section 6413 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6413.

Sec. 304. As a condition of expending appropriations made under part 1, the judicial branch shall cooperate with the auditor general regarding audits of the judicial branch conducted under section 53 of article IV of the state constitution of 1963.

Sec. 305. As a condition of expending appropriations made under part 1, and to avoid the overexpenditure of funds appropriated under this act, the supreme court shall report quarterly to members of the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director on the status of accounts set forth in part 1. The report required by this section shall include quarterly, year-to-date, and projected expenditures by funding source for each line item, and beginning balances and quarterly, year-to-date, and projected revenues for each source of revenue other than general fund/general purpose revenues.

Sec. 306. The supreme court and the state court administrative office shall continue to maintain, as a priority, the assisting of local trial courts in improving the collection of judgments.

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.

Sec. 309. (1) From the funds appropriated in part 1 for pilot mental health court programs, with the approval of and at the discretion of the supreme court, the state court administrative office shall work with the department of community health to develop guiding protocols and principles to assist local courts in developing practices for mental health treatment courts. When developing the guiding protocols and principles, consideration should be given to the 10 essential elements as defined by the U.S. bureau of justice assistance, which include:

(a) Planning and administration: A broad-based group of stakeholders representing the criminal justice, mental health, substance abuse treatment, and related systems and the community guides the planning and administration of the court.

(b) Target population: Eligibility criteria address public safety and consider a community's treatment capacity, in addition to the availability of alternatives to pretrial detention for defendants with mental illnesses. Eligibility criteria also take into account the relationship between mental illness and a defendant's offenses, while allowing the individual circumstances of each case to be considered.

(c) Timely participant identification and linkage to services: Participants are identified, referred and accepted into mental health courts, and then linked to community-based service providers as quickly as possible.

(d) Terms of participation: Terms of participation are clear, promote public safety, facilitate the defendant's engagement in treatment, are individualized to correspond to the level of risk that the defendant presents to the community, and provide for positive legal outcomes for those individuals who successfully complete the program.

(e) Informed choice: Defendants fully understand the program requirements before agreeing to participate in a mental health court. They are provided legal counsel to inform this decision and subsequent decisions about program involvement. Procedures exist in the mental health court to address, in a timely fashion, concerns about a defendant's competency whenever they arise.

(f) Treatment support and services: Mental health courts connect participants to comprehensive and individualized treatment supports and services in the community. They strive to use, and increase the availability of, treatment and services that are evidence-based.

(g) Confidentiality: Health and legal information should be shared in a way that protects potential participants' confidentiality rights as mental health consumers and their constitutional rights as defendants. Information gathered as part of the participants' court-ordered treatment program or services should be safeguarded in the event that participants are returned to traditional court processing.

(h) Court team: A team of criminal justice and mental health staff and service and treatment providers receives special, ongoing training and helps mental health court participants achieve treatment and criminal justice goals by regularly reviewing and revising the court process.

(i) Monitoring adherence to court requirements: Criminal justice and mental health staff collaboratively monitor participants' adherence to court conditions, offer individualized graduated incentives and sanctions, and modify treatment as necessary to promote public safety and participants' recovery.

(j) Sustainability: Data are collected and analyzed to demonstrate the impact of the mental health court, its performance is assessed periodically (and procedures modified accordingly), court processes are institutionalized, and support for the court in the community is cultivated and expanded.

(2) The legislature encourages the state court administrative office to develop mental health court guidelines in cooperation with all key stakeholders, including, but not limited to, circuit, district, and probate court judges, county prosecuting attorneys, representatives of the criminal defense bar, representatives of community treatment providers, community mental health service providers, any other prosecutor in the circuit or district court district, local law enforcement, the probation departments, the local substance abuse coordinating agencies, domestic violence service provider programs that receive funding from the state domestic violence prevention and treatment board, and community corrections agencies, as well as any other parties considered necessary. The state court administrative office is also encouraged to develop guidelines comparable to those established for drug treatment courts, found in chapter 10A of the revised judicature act of 1961, 1961 PA 236, MCL 600.1060 to 600.1082.

(3) Trial courts and local community mental health services programs interested in becoming mental health court pilot sites shall submit a joint application for funding prepared in accordance with guidelines established by the judiciary and the department of community health. The applications shall include documentation of community needs and a commitment to the program by key stakeholders, including the local courts, law enforcement, prosecutor, defense counsel, and treatment providers.

Sec. 310. From the funds appropriated in part 1 for drug treatment court programs, with the approval of and at the discretion of the supreme court, the state court administrative office shall evaluate and collect data on the performance of drug treatment court programs. The state court administrative office shall provide an annual review of the performance of drug courts as prescribed in section 1078(6) of the revised judicature act of 1961, 1961 PA 236, MCL 600.1078. All of the following apply to that annual review:

(a) It shall include measures of the impact of drug court programs in changing offender criminal involvement (recidivism) and substance abuse and in reducing prison admissions.

(b) It shall be completed no later than April 1 of each year and shall also be provided to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director.

(c) The evaluation of a program funded with federal Byrne funds shall be consistent with the requirements contained in the federal Byrne grant for that program.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts 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 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 \$1,800,000.00 in Byrne formula grant funding as an interdepartmental grant from the department of community health 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 a court-issued waiver of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted in accordance with section 208.

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. 318. (1) The judiciary shall receive \$980,000.00 as an interdepartmental grant from the department of corrections. The funds shall be utilized by the state court administrative office to administer a pilot program to target nondangerous offenders at significant risk to commit further crimes through assessment, treatment, and accountability, with the goal of reducing expenditures for long-term incarceration. All funds shall be spent on fulfilling the requirements of this section and treatment, monitoring, and testing of offenders in the pilot program administered by the state court administrative

office. The state court administrative office shall work with the department of community health to develop the pilot program.

(2) The pilot program shall adhere to the following criteria:

(a) A minimum of 3 pilot sites shall be selected by the state court administrative office, at least 1 to be located in a major metropolitan area.

(b) The pilot programs shall incorporate the principles and practices of problem-solving courts developed by the national association of drug court professionals, and they shall operate pursuant to a written memorandum of understanding developed by the stakeholders in the jurisdiction.

(c) Each pilot court team shall include, at a minimum, a district and circuit judge, prosecutor, defense lawyer, treatment provider, circuit court probation officer, district court probation officer, community corrections representative, community mental health representative, court administration, and community representative.

(d) Before being enrolled in the pilot program, each participant shall be administered a comprehensive and valid risk and needs assessment. The assessment shall measure criminogenic and psychosocial factors to determine which participants are at significant risk of/for committing further crimes and are in need of services.

(e) The pilot projects shall employ evidence-based practices to develop a treatment plan in response to the assessment results.

(f) Each pilot project shall employ a case manager whose duties shall include referral and linkage to community resources, monitoring treatment plan requirements, data reporting, and other responsibilities as assigned.

(3) The department of corrections shall participate in the pilot program. The circuit court judge assigned to the pilot project shall select 1 or more circuit court probation officers to supervise the caseload of the circuit court project. Although the probation officer shall remain an employee of the department of corrections, he or she shall report directly to the circuit court judge.

(4) The Michigan judicial institute shall provide appropriate training for all personnel involved in the pilot program.

(5) The state court administrative office shall conduct a process and outcome evaluation and a cost benefit analysis of the pilot programs and shall submit that analysis to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget director by September 30, 2009.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2009; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

Matt Gillard  
Pam Byrnes  
Chuck Moss  
Conferees for the House

Alan L. Cropsey  
Roger Kahn  
Liz Brater  
Conferees for the Senate

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsey moved that the rule be suspended.

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

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. 482

## Yeas—37

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Cropsey moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

**House Bill No. 5811, entitled**

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

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. 5811, entitled**

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

Recommends:

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

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of state police for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF STATE POLICE**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions.....	3.0	
Full-time equated classified positions .....	2,924.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 530,292,600</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		26,321,900
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 503,970,700</b>

	For Fiscal Year Ending Sept. 30, 2009
Federal revenues:	
Total federal revenues.....	\$ 94,733,400
Special revenue funds:	
Total local revenues.....	8,522,200
Total private revenues.....	263,600
Total state restricted revenues.....	115,529,900
State general fund/general purpose.....	\$ 284,921,600
<b>Sec. 102. EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions..... 3.0	
Full-time equated classified positions..... 42.5	
Unclassified positions.....	\$ 366,100
Executive direction—21.0 FTE positions.....	1,940,200
Special operations and events—17.5 FTE positions.....	2,511,300
Auto theft prevention program—4.0 FTE positions.....	10,744,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 15,561,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDT, truck safety fund.....	17,100
Special revenue funds:	
Auto theft prevention fund.....	10,744,100
Motor carrier fees.....	9,100
Criminal justice information center fees.....	48,500
Forensic science reimbursement fees.....	25,400
Highway safety fund.....	37,300
Precision driving track fees.....	2,300
Sex offender registration fund.....	4,400
Traffic law enforcement and safety fund.....	80,500
State general fund/general purpose.....	\$ 4,593,000
<b>Sec. 103. DEPARTMENTWIDE APPROPRIATIONS</b>	
Special maintenance and utilities.....	\$ 447,600
Rent and building occupancy charges.....	9,157,400
Worker’s compensation.....	2,867,600
Fleet leasing.....	16,184,100
In-service training - law enforcement distribution.....	450,000
In-service training - competitive.....	600,000
Narcotics investigation funds.....	237,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 29,943,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training academy charges.....	258,700
IDT, Michigan justice training fund.....	1,050,000
Federal revenues:	
Federal narcotics investigation revenues.....	95,000
DOT.....	23,000
DHS.....	161,900
Special revenue funds:	
Forensic science reimbursement fee.....	91,800
Narcotics investigation revenues.....	142,000
State forensic laboratory fund.....	91,800
Criminal justice information center service fees.....	182,000
Secondary road patrol and training fund.....	4,500
Hazardous materials training center fees.....	95,900
Michigan justice training fund.....	7,700
Motor carrier fees.....	6,800
Highway safety fund.....	7,300
Traffic law enforcement and safety fund.....	14,400
State general fund/general purpose.....	\$ 27,710,900

For Fiscal Year  
Ending Sept. 30,  
2009

**Sec. 104. SUPPORT SERVICES**

Full-time equated classified positions .....	197.5	
Management services—139.0 FTE positions .....		\$ 13,711,800
Training administration—34.0 FTE positions .....		6,732,900
Budget and financial services—24.5 FTE positions .....		2,437,200
Internal audit services.....		68,900
<b>GROSS APPROPRIATION</b> .....		<b>\$ 22,950,800</b>

Appropriated from:

Interdepartmental grant revenues:

IDT, auto theft funds .....		15,900
IDG, training academy charges .....		3,199,100
IDG-MDOT, state trunkline fund .....		6,700
IDG-MDTR, casino gaming fees.....		55,700
IDG-MDTR, emergency telephone fund coordinator.....		514,900
IDG-MDTR, emergency telephone fund operations.....		453,600
IDG-MDOS .....		2,000
IDG-MDOC, contract.....		1,076,400

Federal revenues:

DOT .....		463,800
DHS .....		4,100

Special revenues funds:

Local - LEIN fees.....		17,200
Local - MPSCS subscriber fees.....		44,100
Local - school bus revenue.....		2,200
Highway safety fund .....		130,900
Auto theft prevention fund .....		14,400
Nuclear plant emergency planning reimbursement .....		25,000
Precision driving track fees .....		287,200
Criminal justice information center service fees.....		405,500
Traffic law enforcement and safety fund.....		348,500
Reimbursed services .....		1,240,300
Forensic science reimbursement fees .....		5,900
Drunk driving prevention and training fund.....		17,400
Hazardous materials training center fees.....		25,700
Michigan justice training fund .....		10,600
Narcotics investigation revenues .....		12,200
Secondary road patrol and training fund.....		300
State forensic laboratory fund .....		30,300
Traffic crash revenue .....		1,200
Truck driver safety fund .....		100
Motor carrier fees.....		171,400
State general fund/general purpose .....		<b>\$ 14,368,200</b>

**Sec. 105. HIGHWAY SAFETY PLANNING**

Full-time equated classified positions .....	30.0	
State program planning and administration—8.0 FTE positions .....		\$ 1,213,800
Secondary road patrol program—2.0 FTE positions.....		14,031,800
Truck safety program—1.0 FTE position.....		3,003,900
Federal highway traffic safety coordination—19.0 FTE positions.....		10,594,400
<b>GROSS APPROPRIATION</b> .....		<b>\$ 28,843,900</b>

Appropriated from:

Federal revenues:

DOT .....		10,730,700
DOJ.....		575,800

Special revenue funds:

Truck driver safety fund .....		3,003,900
Secondary road patrol and training fund.....		14,031,800
State general fund/general purpose .....		<b>\$ 501,700</b>



For Fiscal Year  
Ending Sept. 30,  
2009

**Sec. 106. CRIMINAL JUSTICE INFORMATION CENTER**

Full-time equated classified positions .....	136.0	
Criminal justice information center division—116.0 FTE positions.....		\$ 13,235,300
Criminal records improvement—1.0 FTE position .....		2,241,500
Traffic safety—19.0 FTE positions .....		1,803,900
<b>GROSS APPROPRIATION</b> .....		<b>\$ 17,280,700</b>

Appropriated from:

Interdepartmental grant revenues:

IDG-MDOS .....		325,500
IDG-MDCH, crime victim’s rights fund .....		476,800
IDG-MDOT, state trunkline fund .....		900,100

Federal revenues:

DOJ.....		2,241,500
DOT.....		501,000

Special revenue funds:

Traffic crash revenue .....		77,300
Sex offender registration fund .....		60,600
Criminal justice information center service fees .....		10,923,200
State general fund/general purpose .....		\$ 1,774,700

**Sec. 107. FORENSIC SCIENCES**

Full-time equated classified positions .....	213.5	
Laboratory operations—156.0 FTE positions .....		\$ 22,300,700
DNA analysis program—57.5 FTE positions.....		8,138,100
City of Detroit laboratory.....		200,000
<b>GROSS APPROPRIATION</b> .....		<b>\$ 30,638,800</b>

Appropriated from:

Interdepartmental grant revenues:

IDG-MDCH, crime victims rights fund .....		431,600
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Federal revenues:

DOJ.....		4,067,100
DOT.....		617,300

Special revenue funds:

Forensic science reimbursement fees .....		1,384,400
State forensic laboratory fund .....		3,402,600
State general fund/general purpose .....		\$ 20,735,800

**Sec. 108. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

Full-time equated classified positions .....	26.0	
Standards and training—20.0 FTE positions.....		\$ 2,207,600
Justice training grants—4.0 FTE positions .....		7,924,300
Concealed weapons enforcement training .....		240,000
Training only to local units—2.0 FTE positions.....		625,700
Mental health awareness training .....		100,000
Officer’s survivor tuition program.....		48,500
Public safety officers benefit program .....		150,000
<b>GROSS APPROPRIATION</b> .....		<b>\$ 11,296,100</b>

Appropriated from:

Interdepartmental grant revenues:

IDG-MDOC.....		100,000
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Federal revenues:

DOJ.....		183,400
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Special revenue funds:

Secondary road patrol and training fund.....		625,700
Michigan justice training fund .....		8,050,600
Licensing fees.....		5,300
Concealed weapons enforcement fee .....		240,000
State general fund/general purpose .....		\$ 2,091,100

For Fiscal Year  
Ending Sept. 30,  
2009

**Sec. 109. EMERGENCY MANAGEMENT**

Full-time equated classified positions .....	87.5	
Emergency management planning and administration—56.0 FTE positions .....		\$ 5,057,400
Grants to local government .....		2,482,100
FEMA program assistance—6.0 FTE positions .....		1,924,200
Nuclear power plant emergency planning—6.0 FTE positions .....		1,514,300
Hazardous materials programs—19.5 FTE positions .....		51,014,600
<b>GROSS APPROPRIATION</b> .....		<u>\$ 61,992,600</u>
Appropriated from:		
Federal revenues:		
DOT .....		583,800
DHS .....		56,026,000
Special revenue funds:		
Nuclear plant emergency planning reimbursement .....		1,514,300
Hazardous materials training center fees.....		1,477,200
State general fund/general purpose .....		<u>\$ 2,391,300</u>

**Sec. 110. POST UNIFORM SERVICES**

Full-time equated classified positions .....	1,569.0	
Uniform services—388.0 FTE positions .....		\$ 45,898,200
Security guards—14.0 FTE positions.....		1,099,400
Reimbursed services—11.0 FTE positions.....		1,726,100
At-post troopers—1,156.0 FTE positions.....		<u>146,108,700</u>
<b>GROSS APPROPRIATION</b> .....		<u>\$ 194,832,400</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDMB, building occupancy charges .....		648,400
Special revenue funds:		
Highway safety fund .....		15,429,500
Traffic law enforcement and safety fund.....		29,131,800
State police service fees .....		1,726,100
State general fund/general purpose .....		<u>\$ 147,896,600</u>

**Sec. 111. STATEWIDE FIELD OPERATIONS**

Full-time equated classified positions .....	105.0	
Operational support—98.0 FTE positions .....		\$ 11,732,200
Aviation program—7.0 FTE positions .....		<u>1,455,500</u>
<b>GROSS APPROPRIATION</b> .....		<u>\$ 13,187,700</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDCH, crime victim’s rights fund .....		122,000
IDG-MDOC, contract .....		98,000
IDG-MDCH, tobacco tax .....		610,000
Federal revenues:		
Special revenue funds:		
Private donations .....		263,600
Rental of department aircraft.....		51,100
State general fund/general purpose .....		<u>\$ 12,043,000</u>

**Sec. 112. SPECIAL INVESTIGATIONS**

Full-time equated classified positions .....	288.0	
Criminal investigations—176.0 FTE positions.....		\$ 25,615,500
Federal antidrug initiatives—49.5 FTE positions.....		8,462,700
Reimbursed services, materials, and equipment—3.5 FTE positions .....		2,645,500
Auto theft prevention—13.0 FTE positions .....		1,679,700
Casino gaming oversight—32.0 FTE positions .....		4,383,200
Fire investigation—14.0 FTE positions.....		1,602,400
Fire investigation training to locals .....		50,000
Parole absconder sweeps .....		<u>10,000</u>
<b>GROSS APPROPRIATION</b> .....		<u>\$ 44,449,000</u>

For Fiscal Year  
Ending Sept. 30,  
2009

Appropriated from:	
Interdepartmental grant revenues:	
IDT, auto theft funds .....	\$ 1,368,400
IDG-MDTR, casino gaming fees.....	4,383,200
Federal revenues:	
Federal investigations - reimbursed services .....	751,700
DOJ.....	5,532,400
Federal narcotics investigation revenues .....	465,100
Special revenue funds:	
Local - reimbursed services.....	1,893,800
Narcotics investigation revenues .....	666,500
Forfeiture funds .....	511,700
State general fund/general purpose .....	\$ 28,876,200
<b>Sec. 113. TRAFFIC SAFETY</b>	
Full-time equated classified positions .....	229.0
Motor carrier enforcement—106.0 FTE positions .....	\$ 10,434,100
Truck safety enforcement team operations—10.0 FTE positions .....	1,320,800
Safety inspections—63.0 FTE positions.....	8,145,000
School bus inspections—15.0 FTE positions .....	1,397,100
Safety projects—18.0 FTE positions.....	2,122,600
Traffic services—17.0 FTE positions.....	4,951,100
GROSS APPROPRIATION .....	\$ 28,370,700
Appropriated from:	
Interdepartmental grant revenues:	
IDT, truck safety fund .....	1,320,800
IDG-MDOT, state trunkline fund .....	8,566,000
Federal revenues:	
DOT .....	10,523,200
Special revenue funds:	
Local school bus revenue .....	1,397,100
Drunk driving prevention and training fund.....	1,289,900
Motor carrier fees.....	3,871,400
State general fund/general purpose .....	\$ 1,402,300
<b>Sec. 114. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 18,315,600
Michigan public safety communications system .....	12,628,900
GROSS APPROPRIATION .....	\$ 30,944,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDTR, casino gaming fees.....	90,600
IDG-MDOT, state trunkline fund .....	120,600
IDG, training academy charges .....	32,600
IDG-MDOS .....	4,500
IDG-MDTR, emergency telephone fund coordinator.....	1,800
IDG-MDTR, emergency telephone fund operations.....	63,500
IDT-truck safety fund .....	7,400
Federal revenues:	
DOJ.....	517,200
DHS .....	564,400
DOT .....	105,000
Special revenue funds:	
Local - LEIN fees.....	3,577,200
Local - AFIS fees .....	38,800
Local - MPSCS subscriber fees.....	1,547,600
Local - school bus revenue.....	4,200
Auto theft prevention fund .....	3,800

	For Fiscal Year Ending Sept. 30, 2009
Criminal justice information center service fees.....	\$ 1,531,100
Drunk driving prevention and training fund.....	1,600
Forensic science reimbursement fees .....	140,500
Hazardous materials center fees .....	22,600
Michigan justice training fund .....	71,300
Narcotics investigation revenue.....	33,000
Nuclear plant emergency planning reimbursement .....	4,900
Precision driving track fees .....	300
Secondary road patrol and training fund.....	384,600
Sex offender registration fund.....	208,800
State forensic laboratory fund .....	348,000
State police service fees .....	9,500
Reimbursed services .....	145,800
Motor carrier fees.....	603,300
Traffic crash revenue .....	223,200
State general fund/general purpose .....	\$ 20,536,800

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$400,451,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$20,741,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF STATE POLICE

OFFICE OF HIGHWAY SAFETY PLANNING

Secondary road patrol program .....	\$ 13,891,500
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MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Training only to local units .....	\$ 421,600
Justice training grants.....	5,724,700

SPECIAL INVESTIGATIONS

Fire investigation training for locals .....	\$ 50,000
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FORENSIC SCIENCES

City of Detroit laboratory.....	\$ 200,000
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SUPPORT SERVICES

Management services .....	\$ 453,600
Total.....	\$ 20,741,400

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

Sec. 203. As used in this act:

- (a) "AFIS" means the automated fingerprint identification system.
- (b) "Department" means the department of state police.
- (c) "DHS" means the United States department of homeland security.
- (d) "DNA" means deoxyribonucleic acid.
- (e) "DOJ" means the United States department of justice.
- (f) "DOT" means the United States department of transportation.
- (g) "FEMA" means the federal emergency management agency.
- (h) "FTE" means full-time equated.
- (i) "IDG" means interdepartmental grant.
- (j) "IDT" means intradepartmental transfer.
- (k) "LEIN" means law enforcement information network.
- (l) "MCOLES" means the Michigan commission on law enforcement standards.
- (m) "MDCH" means the Michigan department of community health.
- (n) "MDMB" means the Michigan department of management and budget.
- (o) "MDOC" means the Michigan department of corrections.
- (p) "MDOS" means the Michigan department of state.
- (q) "MDOT" means the Michigan department of transportation.

(r) "MDTR" means the Michigan department of treasury.

(s) "MPSCS" means the Michigan public safety communications system.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, causes loss of revenue to the state, would result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations 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 appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. 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 should 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 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, for the department. 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. 211. It is the intent of the legislature that personnel of the department who request and are eligible for reimbursement of expenses related to the operation of the department be reimbursed from the appropriations provided in this act within 30 days after submitting a request, or the eligible personnel shall be paid an additional amount equal to 0.75% of the payment due. The department shall pay an additional amount equal to 0.75% of the payment due for the first month and each succeeding month or portion of a month the payment remains past due.

Sec. 213. (1) It is the intent of the legislature that the department shall not provide any subsidy for contractual services it provides.

(2) 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.

(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 state agencies.

Sec. 214. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 215. Not later than January 1, 2009, the department shall report to the state police appropriations subcommittees of the house and senate and the house and senate fiscal agencies. The report shall contain the following information regarding the department's activities related to casino gaming oversight during fiscal year 2007-2008:

(a) The amount of money received and expended.

(b) The nature and structure of the casino gaming oversight unit.

(c) The positions and classifications of employees assigned.

(d) The number of full-time and part-time employees and the aggregate number of FTEs.

(e) The number of enlisted and civilian positions.

(f) The duties and responsibilities of the assigned employees.

(g) The immediate past position of the enlisted employees assigned.

Sec. 216. The department shall collect and computerize the vehicle identification number (VIN) of all vehicles that are entered into the state accident data collection system and make this and other vehicle information available to the public at cost. For bulk access to the accident records in which the VIN 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.

Sec. 217. From the funds appropriated in part 1, the department shall maintain a toll-free hotline in collaboration with the department of education. The toll-free hotline shall be operated 24 hours per day, 7 days per week, and shall provide students, school officials, and other individuals an opportunity to report specific threats of imminent school violence or other suspicious or criminal conduct by juveniles to the appropriate local law enforcement entities for investigation. The department may expend funds for the promotion of the hotline.

Sec. 218. (1) Funds appropriated in part 1 for at-post troopers shall only be expended for trooper salaries, wages, benefits, retirement, equipment, supplies, and other expenses directly related to state troopers assigned to general law enforcement duties at a department post, detachment, satellite office, or a resident trooper function.

(2) It is the intent of the legislature that every effort be made to identify funding sufficient to conduct a trooper school for the purpose of working toward the goal of establishing a minimum at-post trooper strength of 1,075 in this state.

(3) The department shall submit quarterly written reports to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than December 1, 2008, March 1, 2009, June 1, 2009, and September 1, 2009 which shall include a trooper strength report and the status of the department's plan for accomplishing the goal of subsection (2). If the department determines that insufficient appropriations exist under part 1 to accomplish the goal of subsection (2), the department shall submit a proposal outlining a plan to accomplish the goal, including an accounting of any additional funding necessary to that end.

Sec. 219. The department of state police shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies not less than 180 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. 220. (1) The department of state police, in keeping with its role as the general law enforcement agency of the state and as the law enforcement agency of last resort for communities that are either without local law enforcement resources or are seriously underserved by local law enforcement resources, shall provide general law enforcement assistance to those communities until adequate law enforcement services can be provided to those communities by other means.

(2) Not later than May 1, 2009, the department shall deliver to the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies a report on the additional costs incurred by the department in each locality for providing the services described in subsection (1) during the first 6 months of the fiscal year 2008-2009.

Sec. 221. The department of state police may pursue entering into an agreement with Calhoun County to build a new facility in Marshall which would serve as a new state police post to replace the current state police post in Battle Creek.

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1, 2009, 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 chairs and members of 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. 224. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 225. It is the intent of the legislature that the administration, working with the MCOLES, continue the long-held practice that all revenue made available to the department from the Michigan justice training fund be used solely for costs directly related to the delivery of Michigan justice training fund grants, so that in the future, eligible entities as provided under 1982 PA 302, MCL 18.421 to 18.429, will have a stable and accurate source of training funds.

Sec. 226. The department of state police, in cooperation with the department of information technology and others, shall take steps to encourage the development of state, local, and regional tactical interoperable communication plans with the ultimate goal being to ensure that effective and efficient communication interoperability between radio communication systems of local, regional, state, and federal agencies is established in every area of the state. The department shall provide a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than April 1, 2009 on the current status of reaching this objective. The report shall include an accounting of exactly where within the state desired interoperability has been achieved and what cooperative measures and use of technology were used to achieve this interoperability, and which areas of the state have not yet achieved such status. The report shall also include a description of what strategies need to be employed to ensure that the remaining areas of the state, and the state as a whole, will have a communication system with efficient and effective interoperability, particularly on occasions when a multijurisdictional response to an emergency is warranted.

Sec. 227. (1) From the funds appropriated in part 1, the department of state police is prohibited from transporting employees of institutions of higher education on state-owned aircraft.

(2) 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, or both.

(3) From the funds appropriated in part 1, the department is prohibited from transporting local government employees on state-owned aircraft.

(4) It is the intent of the legislature that state elected officials use commercial or other private air service, unless air travel on state-owned aircraft is part of official state business.

(5) This section shall not apply to transportation that is related to law enforcement or homeland security activities.

Sec. 228. 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 the 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.

Sec. 230. The unexpended and unencumbered balance of the appropriation for the department contained in 2007 PA 130 shall be used toward the payment of \$400,000.00 to the Michigan state police troopers association. The funds shall be available for appropriation in the fiscal year ending September 30, 2009.

Sec. 232. The department shall place emphasis on recruiting MCOLES certified police officers for the trooper recruit school. Emphasis shall be given in the hiring process to those officers who are on layoff and possess valid MCOLES certification. Any emphasis given in the recruiting and selection process shall be consistent with the department's hiring standards and in accordance with civil service rules. The department shall report to the chairpersons of the senate and house of representatives standing committees on appropriations the results of its recruitment and selection process, including the actual number of certified officers selected for any recruit school that is held by September 30, 2009.

Sec. 233. From the funds appropriated in part 1 for at-post troopers, up to \$200,000.00 shall be used for the timely completion of a law enforcement resource study produced by contract with an accredited in-state university. The study shall examine the law enforcement needs of each state police district of this state. The study shall provide recommendations concerning state police patrol and response needs within each state police district and post area of this state, baseline coverage recommendations, and information concerning what is required in terms of personnel and resources to meet the recommendations and how those resources could most efficiently be allocated to achieve the recommendations, along with the amount of any additional resources that may be needed. The study shall examine, at a minimum, crime statistics, population, geographic area, and inventory of all levels of existing police resources for a given area, and any other pertinent information. The department shall keep the house and senate appropriations subcommittee chairs informed as to the progress toward the completion of this report and make every effort to have this report completed no later than November 1, 2009. The department shall provide a copy of the report to both of the subcommittees.

Sec. 234. 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. 235. (1) If a spending plan for the funds appropriated in part 1 for special operations and events, or sources of financing related to the spending plan, do not provide the level of program service provided for in the current fiscal year, the funds appropriated in part 1 for post uniform services or forensic sciences shall not be used to fund the shortfall.

(2) If a spending plan for the funds appropriated in part 1 for special operations and events, or sources of financing related to the spending plan, are in excess of that necessary to provide the level of program service provided for in the current fiscal year, the department shall take steps to transfer whatever excess funding may exist to the funds appropriated in part 1 for post uniform services and forensic sciences.

Sec. 236. (1) The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies by no later than April 1, 2009 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year.

(2) Funds appropriated in part 1 shall not be used by the department to adopt 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.

(3) 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. 237. From the funds appropriated in part 1, the department shall maintain, for the full 2008-2009 fiscal year, either the operation of each Michigan state police post which was in operation as of April 2, 2007, or an alternative work station in the vicinity of a current Michigan state police post.

Sec. 238. The department of management and budget shall work with the department of state police to reduce building operations and leasing costs for all Michigan state police facilities and to identify efficiencies and savings.

Sec. 239. It is the intent of the legislature that, should funding become available, funds may be appropriated to the department for traffic control purposes at the Michigan international speedway.

Sec. 240. (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 this act 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 this act 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 this act 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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 241. From the funds appropriated in part 1, the department shall continue the creation of a plan to operate a trooper recruit school composed of 50 or fewer recruits on an annual or biannual basis. These trooper recruit schools shall be operated on a shorter time frame than typical trooper recruit schools and shall consist of recruits who possess current certification as a law enforcement officer. This plan will result in a trooper recruit school that assists in restoring overall trooper strength to an optimum level while being more efficient in terms of time and financial expenditure.

### **INFORMATION TECHNOLOGY**

Sec. 301. The money appropriated in part 1 for computer services shall be funded by LEIN user fees sufficient to pay 1/3 of the state's service and contract maintenance costs of the LEIN.

Sec. 302. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 303. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 304. A portion of the funds appropriated in part 1 shall be used by the department to produce a written report detailing departmental policies regarding access to and use of information from the LEIN system. The report shall include a description of departmental measures to protect the security of information in the LEIN system including safeguards that would prevent unauthorized persons from obtaining information from the LEIN system. The department shall submit a copy of this report to the senate and house appropriations committees not later than April 1, 2009.

Sec. 305. The criminal justice information systems policy council shall encourage members of the law enforcement agencies in the state to be sensitive to, and note when necessary, activities or circumstances that may suggest the



unauthorized access or misuse of information from the LEIN system. The criminal justice information systems policy council shall advise LEIN auditors, as a part of their audit of law enforcement agencies, to investigate in depth all suspected incidents of improper access or improper use of information from the LEIN system and determine whether or not those incidents were illegal. In those incidents that may be determined to be illegal, the executive secretary for the council shall determine whether those incidents were of a negligent or criminal nature. If an incident is determined to be an illegal act, the council shall inform the chairs of both the senate and house appropriations committees.

Sec. 306. (1) The department of state police, working with the criminal justice information systems policy council, shall implement procedures by which all probation information is placed on the LEIN system. The LEIN system shall include information on each probationer, including any probation conditions placed on a probationer and the name of the probation officer assigned to a probationer. The LEIN system shall also include any nonstandard probation terms.

(2) If the department determines that amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, are required to include all probation information on the LEIN system, the department shall deliver to members of the senate and house appropriations subcommittees on state police and military affairs amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, that, in the department's view, are necessary to accomplish this goal. These proposed amendments shall be delivered to subcommittee members not later than December 1, 2008.

Sec. 307. The department of state police shall serve as an active liaison between the department of information technology and local public safety agencies to facilitate the use of the Michigan public safety communications system towers by those local public safety agencies that have an interest in using the towers as a part of their own communications system. The department of state police shall deliver a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs by April 1, 2009, which shall include an assessment of the progress toward establishing local public safety agency use of the Michigan public safety communications system towers, an accounting of problems that may be preventing local use of the towers, and any recommendations the department has that may foster this utilization.

Sec. 308. The department of state police shall report any LEIN fee increase to the senate and house appropriations subcommittees on state police and military and veterans affairs 60 days prior to the effective date of that increase. The report shall contain the following information: the current fee structure and the total revenue earned each year; the new fee structure and the total revenue it is expected to earn annually; the total annual cost of the LEIN system; and the total amount of LEIN fees paid by the department under both the old and the new structure.

Sec. 309. From the funds appropriated in part 1 for information technology, the department may develop and issue a request for proposal for the development, implementation, and maintenance of an electronic system for real-time enforcement of section 3101 of the insurance code of 1956, 1956 PA 218, MCL 500.3101.

#### **HIGHWAY SAFETY PLANNING**

Sec. 401. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on state police and military affairs on the status of assessments collected and authorized under section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, for the purposes of supporting the secondary road patrol grant program. Each quarterly report shall contain updated information on collection levels, revised projected grant allotments to counties for the year, a comparison of projected collections and grant distribution levels with the funds appropriated in part 1 for the secondary road patrol program, and the extent collection levels have exceeded or failed to meet appropriated levels for the current fiscal year or expenditure levels from the previous fiscal year.

#### **FORENSIC SCIENCES**

Sec. 501. (1) The department shall distribute a copy of the department's protocol for retaining and purging DNA analysis samples and records to each police agency in this state.

(2) The department shall report to the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies when any changes to the department's DNA protocol are made.

Sec. 502. The department shall work with the department of community health, the Michigan health and hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

Sec. 503. From the funds appropriated in part 1 for the city of Detroit laboratory, funds shall be used for the initial hiring of a quality assurance manager and a biologist. The quality assurance manager shall be responsible for the laboratory's quality assurance program, the safety program, and the grant program with an emphasis on quality assurance and shall provide a report to the house and senate appropriations subcommittees on state police and military and veterans affairs concerning the benchmarks implemented to improve the laboratory's performance, the progress on those benchmarks, and the problems related to these goals the laboratory may be facing. The report is due by June 1, 2009. The biologist hired with these funds shall be primarily responsible for operating a DNA extraction machine.

Sec. 504. For the fiscal year ending September 30, 2009, surplus funds of \$1,900,000.00 in the state services fee fund are appropriated to the state forensic laboratory fund. These funds shall only be utilized in support of state police laboratory operations.

**MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

Sec. 601. The money appropriated to the MCOLES for maintenance and delivery of training to locals is provided in accordance with a state reimbursement policy in which 100% of the determined state reimbursement rate shall be distributed upon certification by the MCOLES.

Sec. 603. The appropriation in part 1 for mental health awareness training shall be made available as grants to local law enforcement agencies for training law enforcement officers in effective and safe ways of assisting people with mental illness and directing people with mental illness to treatment programs.

Sec. 604. From the funds appropriated in part 1 to the Michigan commission on law enforcement standards funds may be used to provide training for motor carrier officers and capitol security officers for the purpose of qualifying them for MCOLES certification.

**EMERGENCY MANAGEMENT**

Sec. 801. (1) The state director of emergency management may expend money appropriated under this act 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.

(2) In addition to the money appropriated in this act, 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 house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 803. The department's emergency management division shall make every effort to ensure both of the following:

(a) That homeland security grants offered by the federal government and channeled through the department are allocated to first responder entities in the highest percentage possible.

(b) That homeland security grants awarded to the city of Detroit shall not be used to supplant city general funds designated to support first responder operations.

**POST UNIFORM SERVICES**

Sec. 901. State police 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 protecting every citizen of this state from harm.

**STATEWIDE FIELD OPERATIONS**

Sec. 1002. Money privately donated to the department is appropriated under part 1 to be used for the purposes designated by the donor of the money. Money privately donated to the department's canine unit shall be used to purchase equipment and other items to enhance the operation of the canine unit. It is the intent of the legislature that money from private donations not supplant general fund appropriations.

**SPECIAL INVESTIGATIONS**

Sec. 1101. (1) There is sufficient money appropriated in part 1 to special investigations to ensure that the citizens in a service area of any state police post in the vicinity of a state prison do not experience a downgrading of state police services in their area. Special investigations shall be available by temporary or permanent assignment of a detective when either a temporary or permanent prison facility is opened.

(2) If the department is unable to comply with subsection (1) and there is a prison scheduled to open, the department shall provide troopers to serve as investigators on an interim basis.

Sec. 1102. From the funds appropriated in part 1 for special investigations, the department shall provide a report to the chairpersons of the senate and house of representatives standing committees on appropriations no later than April 1, 2009 concerning methamphetamine-related criminal activities.

**MOTOR CARRIER ENFORCEMENT**

Sec. 1201. (1) The department shall report to the house and senate appropriations subcommittees on state police and the house and senate fiscal agencies by March 1, 2009 regarding the inspection of school buses and other motor vehicles 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 report shall include the following information regarding inspections conducted in calendar year 2008:

(a) The number of buses and vehicles inspected by the department.

- (b) The number of buses and vehicles passing and failing inspection.
- (c) The estimated number of buses and vehicles not inspected.
- (2) If each school bus within a school system receives a 100% successful state inspection on its first inspection in a given year, the department shall award a certificate to that school system.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

Richard LeBlanc  
 John Espinoza  
 Mike Nofs  
 Conferees for the House

Valde Garcia  
 Alan L. Cropsey  
 Jim Barcia  
 Conferees for the Senate

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsey moved that the rule be suspended.

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

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. 483**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Cropsey moved that the bill be given immediate effect.  
 The motion prevailed, 2/3 of the members serving voting therefor.

**House Bill No. 5812, entitled**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

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. 5812, entitled**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Recommends:

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

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions.....	7.0	
Full-time equated classified positions .....	985.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 183,807,900</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		1,681,200
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 182,126,700</b>
Federal revenues:		
Total federal revenues.....		109,988,200
Special revenue funds:		
Total local revenues .....		1,284,600
Total private revenues.....		1,463,700
Total other state restricted revenues .....		29,050,400
State general fund/general purpose .....		\$ 40,339,800

**Sec. 102. HEADQUARTERS AND ARMORIES**

Full-time equated unclassified positions.....	7.0	
Full-time equated classified positions .....	125.0	
Headquarters and armories—85.0 FTE positions.....		\$ 10,430,000
Unclassified military personnel .....		665,000
Military appeals tribunal .....		900
Michigan emergency volunteers .....		5,000
State active duty .....		90,100
Challenge program—40.0 FTE positions .....		4,698,800
Homeland security.....		1,000,000
Internal audit services.....		111,700
Military family relief fund .....		600,000
War veteran’s memorial rehabilitation.....		5,000
<b>GROSS APPROPRIATION .....</b>		<b>\$ 17,606,500</b>

	For Fiscal Year Ending Sept. 30, 2009
Appropriated from:	
IDG, challenge grant .....	\$ 260,100
IDG, community health .....	100,000
IDG, state police.....	900,000
IDG, human services .....	421,100
Federal revenues:	
DOD-DOA-NGB .....	5,206,000
Special revenue funds:	
Local-school aid fund.....	1,284,600
Rental fees.....	350,000
Mackinac Bridge authority .....	60,000
Private donations .....	820,100
Military family relief fund .....	600,000
Private-parent pay revenue .....	103,600
State general fund/general purpose .....	\$ 7,501,000
<b>Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES</b>	
Full-time equated classified positions .....	181.0
Military training sites and support facilities—181.0 FTE positions .....	\$ 24,728,200
Military training sites and support facilities test projects .....	100,000
GROSS APPROPRIATION .....	\$ 24,828,200
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	20,801,000
Special revenue funds:	
Regional training institute fund.....	1,504,000
Test project fees.....	100,000
State general fund/general purpose .....	\$ 2,423,200
<b>Sec. 104. DEPARTMENTWIDE APPROPRIATIONS</b>	
Departmentwide accounts.....	\$ 2,024,400
Special maintenance - state .....	651,200
Special maintenance - federal .....	5,300,000
Military retirement .....	3,217,500
Counter narcotic operations.....	50,000
Starbase grant .....	1,772,000
GROSS APPROPRIATION .....	\$ 13,015,100
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	8,738,100
Federal counternarcotic revenues .....	50,000
State general fund/general purpose .....	\$ 4,227,000
<b>Sec. 105. VETERANS SERVICE ORGANIZATIONS</b>	
American legion .....	\$ 912,600
Disabled American veterans .....	754,400
Marine corps league .....	346,400
American veterans of World War II and Korea.....	478,700
Veterans of foreign wars.....	912,600
Michigan paralyzed veterans of America .....	170,700
Purple heart .....	162,600
Veterans of World War I.....	100
Polish legion of American veterans.....	42,400
Jewish veterans of America.....	42,400
State of Michigan council - Vietnam veterans of America.....	164,300
Catholic war veterans .....	42,400
GROSS APPROPRIATION .....	\$ 4,029,600
Appropriated from:	
State general fund/general purpose .....	\$ 4,029,600

For Fiscal Year  
Ending Sept. 30,  
2009

<b>Sec. 106. GRAND RAPIDS VETERANS' HOME</b>	
Full-time equated classified positions .....	513.0
Grand Rapids veterans' home—513.0 FTE positions .....	\$ 47,951,700
Board of managers .....	665,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 48,616,700</b>
Appropriated from:	
Federal revenues:	
DVA-VHA .....	15,570,400
HHS, Medicaid .....	154,300
HHS, Medicare .....	1,557,500
Special revenue funds:	
Private - veterans' home post and posthumous funds .....	415,000
Income and assessments .....	14,703,900
Military family relief fund .....	250,000
Lease revenue .....	12,200
State general fund/general purpose .....	\$ 15,953,400
<b>Sec. 107. D.J. JACOBETTI VETERANS' HOME</b>	
Full-time equated classified positions .....	158.0
D.J. Jacobetti veterans' home—158.0 FTE positions .....	\$ 15,559,400
Board of managers .....	275,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 15,834,400</b>
Appropriated from:	
Federal revenues:	
DVA-VHA .....	4,504,400
HHS, Medicare .....	500,300
HHS, Medicaid .....	10,200
Special revenue funds:	
Private - veterans' home post and posthumous funds .....	125,000
Military family relief fund .....	150,000
Income and assessments .....	5,515,700
State general fund/general purpose .....	\$ 5,028,800
<b>Sec. 108. VETERANS' AFFAIRS DIRECTORATE</b>	
Full-time equated classified positions .....	8.0
Veterans' affairs directorate administration—2.0 FTE positions .....	\$ 321,200
Veterans' trust fund administration—6.0 FTE positions .....	1,225,900
Veterans' trust fund grants .....	3,746,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 5,293,600</b>
Appropriated from:	
Special revenue funds:	
Michigan veterans' trust fund.....	4,972,400
State general fund/general purpose .....	\$ 321,200
<b>Sec. 109. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 1,183,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,183,800</b>
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	116,900
DVA-VHA .....	319,700
HHS, Medicare .....	9,400
Special revenue funds:	
Income and assessments .....	332,200
State general fund/general purpose .....	\$ 405,600
<b>Sec. 110. CAPITAL OUTLAY</b>	
Special maintenance, remodeling and additions.....	\$ 12,900,000
Land acquisitions and appraisals statewide.....	500,000
Camp Grayling, military operations on urban terrain (MOUT) training course construction ....	40,000,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 53,400,000</b>

For Fiscal Year  
Ending Sept. 30,  
2009

Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	\$ 52,450,000
Special revenue funds:	
Armory construction fund .....	500,000
State general fund/general purpose .....	\$ 450,000

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$69,390,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$120,000.00. 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**

Payments in lieu of taxes .....	\$ 70,000
<b>MICHIGAN VETERANS' TRUST FUND</b>	
County counselor education and training expenses.....	\$ 50,000
<b>TOTAL .....</b>	<b>\$ 120,000</b>

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

Sec. 203. As used in this act:

- (a) "Department" means the department of military and veterans affairs.
- (b) "Director" means the director of the department of military and veterans affairs.
- (c) "DOD" means the United States department of defense.
- (d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.
- (e) "DVA" means the United States department of veterans' affairs.
- (f) "DVA-VHA" means the DVA veterans' health administration.
- (g) "FTE" means full-time equated.
- (h) "HHS" means the United States department of health and human services.
- (i) "IDG" means interdepartmental grant.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, causes loss of revenue to the state, would result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 207. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations 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 appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. 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 should 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 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. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 212. (1) Of the funds appropriated in part 1 for military training sites and support facilities, there shall be established a Michigan national guard education assistance program. Disbursements to the educational assistance program shall not exceed \$1,100,000.00 without legislative approval. Under the program, a member of the national guard who is in active service and who enrolls as a full- or part-time student at a public or private state college or university may be eligible to receive up to an equivalent of 50% of the total cost of tuition not to exceed \$2,000.00, as education assistance, in any academic year.

(2) As used in this section, an eligible person means a member of the Michigan national guard who is in active service, as defined in section 105 of the Michigan military act, 1967 PA 150, MCL 32.505. An eligible person does not include a member of the Michigan national guard or air national guard who is absent without leave or who is under charges as described in the Michigan code of military justice of 1980, 1980 PA 523, MCL 32.1001 to 32.1148.

(3) The department of military and veterans affairs, office of the adjutant general shall administer the education assistance program and prescribe forms and procedures to effectively carry out the education assistance program.

(4) An eligible person shall apply to the department of military and veterans affairs, office of the adjutant general for education assistance and shall provide evidence of attendance and completion of the course of study with a grade of at least 2.0 on a 4.0 scale, or its equivalent. The adjutant general shall approve the application for reimbursement if the applicant meets the definition of an eligible person under subsection (2) and other criteria as established by the adjutant general.

(5) The education assistance program applies to any course of instruction that is included in an associate, undergraduate, or postgraduate degree program offered by a college or university of this state.

(6) The education assistance program applies to an eligible person notwithstanding any other educational incentive or benefit received by the eligible person under any other educational assistance program provided by any other state.

(7) An eligible person who successfully completes the course of study with a grade of at least 2.0 on a 4.0 scale, or its equivalent, shall be eligible for reimbursement.

(8) The department of military and veterans affairs may use funds from the appropriated funds to administer the education assistance program.

(9) Reimbursed members who do not complete their national guard obligation shall pay the state for money received from the state for tuition. Members who fail to repay the state within the time limits established by the adjutant general shall be indebted to the state. The department shall work in conjunction with the department of treasury for inclusion in the tax intercept program for amounts due the state.

(10) A portion of the funds for the Michigan national guard education assistance program may be used by the department for the purpose of promoting the program and for encouraging those persons the department wishes to have enlist or reenlist in the Michigan national guard.

Sec. 213. The department shall consult with the house and senate appropriations subcommittees on military and veterans affairs regarding the projected closing or consolidation of any national guard armories.

Sec. 214. It is the intent of the legislature that, should the necessary legislation be enacted and funding become available, funds be appropriated for state military cemeteries in Crawford and Dickinson counties.

Sec. 221. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 223. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 225. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, 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 chairs and members of 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 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. 226. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 227. Sixty days prior to the public announcement of the intention to sell any department property, the department shall submit notification of that intent to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies.

Sec. 228. 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. 229. There is hereby created and established under the jurisdiction and control of the department a revolving account to be known as the regional training institute conference center account. All of the fees and other revenues generated from the operation of the regional training institute conference center shall be deposited in the regional training institute conference center account. Appropriations shall be made from the account for the support of program operations and the maintenance and operations of the regional training institute, the construction and maintenance of morale, welfare, and recreation facilities on Fort Custer or training areas within Michigan, and shall 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 regional training institute conference center account to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director at the end of the fiscal year.

Sec. 230. The regional training institute conference center shall be available but not limited to the following:

(a) Military personnel.

(b) Federal, state, and local government agencies.

(c) Educational institutions.

(d) Nonprofit corporations or associations organized pursuant to the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.

(e) Community service clubs.

(f) Groups of persons with disabilities.

(g) Members of the legislature for the purposes related to the business of the legislature.

(h) Entities and organizations that wish to use the conference center to host an event that has a military agenda.

Sec. 231. (1) The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies by no later than April 1, 2009 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year.

(2) Funds appropriated in part 1 shall not be used by the department to adopt 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.

(3) 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. 232. (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 this act 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 this act 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 this act 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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 233. It is the intent of the legislature that the department, working with counties and veterans service organizations, create incentives for all counties in the state to fund at least 1 full-time county veteran's counselor for the purpose of assisting veterans with obtaining federal veterans benefits that they may be eligible to receive. The incentives could include, but not be limited to, matching funds or sharing IT resources from the department for counties to use in maximizing benefits received by Michigan veterans.

Sec. 234. It is the intent of the legislature that the department investigate methods to allow veterans to check the status of their federal benefits claims through either online resources or by telephone.

Sec. 237. 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 the 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.

#### **HEADQUARTERS AND ARMORIES**

Sec. 301. The department may charge reasonable rental and equipment usage fees for renting an armory or using the distance learning network. The fee shall include the cost of overtime compensation, insurance coverage, and any maintenance required.

Sec. 302. (1) The funds appropriated in this act for private donations to the challenge program shall be considered state restricted revenue, and unexpended funds remaining at the close of the fiscal year shall not lapse to the general fund but shall be carried forward to the subsequent fiscal year.

(2) The department may charge a parent or guardian of a participant in the challenge program a fee for participating in the program if the participant is a member of a family with an income that exceeds 200% of the federal poverty guidelines as published by the United States department of health and human services. The amount charged the parent or guardian shall not exceed the per-student state share cost of administering the program. The parent or guardian shall be notified of any charge to be assessed under this subsection prior to enrollment of the child in the program.

(3) 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.

Sec. 304. The department will partner with the department of human services to identify youth who may be eligible for the challenge program from those youth served by department of human services programs. These eligible youth shall be given priority for enrollment in the program.

Sec. 305. From the funds appropriated in part 1 for headquarters and armories, \$5,000.00 shall be used for the purpose of rehabilitating the war veteran's memorial located on the state fairgrounds in Detroit. This funding is contingent on the receipt of \$50,000.00 in matching funds from Wayne County. Private donations may also be used for the rehabilitation of the war veteran's memorial.

#### **VETERANS SERVICE ORGANIZATIONS**

Sec. 501. (1) Money appropriated in part 1 for grants to veterans service organizations shall be used only for salaries, wages, related personnel costs, training, and equipment for accredited veteran service advocacy officers and necessary support and managerial staff. Training shall be provided for service advocacy officers and shall be conducted by accredited advocacy officers.

(2) To receive a grant from the money appropriated in part 1, a veterans service organization shall meet the following eligibility requirements:

(a) Be congressionally chartered by the United States congress.

(b) Be an active participating member of the Michigan veterans organizations' rehabilitation and veterans service committee and abide by its rules, guidelines, and programs.

(c) Demonstrate the receipt of monetary or service support from its own organization.

(d) Comply with the department's and the legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3).

(e) For a veterans service organization founded after September 30, 1989, be in operation and providing service to Michigan veterans for not less than 2 years before receiving an initial state grant. During this 2-year period of time, the organization shall file a listing of service work activity and an accounting of recoveries with the department, the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office on forms as prescribed by the department.

(3) A veterans service organization receiving a grant from the money appropriated in part 1 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 2010 to the department by November 15, 2008. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2008 to the department by January 31, 2009. Each organization shall include a listing of expenditures by spending category, including a listing of individual salaries of each officer and administrative staff. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2008. A veterans service organization receiving a grant from the money appropriated in part 1 shall use the forms recommended by the Michigan veterans organizations rehabilitation and veterans service committee for filing reports required by this act. The department shall forward information required under this section to the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office.

(4) The veterans service directors committee and the department shall take steps to improve the coordination of veterans benefits counseling in the state to maximize the effective and efficient use of taxpayer dollars in this goal and to ensure that every veteran is served.

(5) To accomplish the goal of subsection (4), the veterans service directors committee and the department shall take steps to increase their responsibility in the administration, management, oversight, and outreach of the delivery of services to veterans. The veterans service directors committee and the department shall involve county veterans counselors and representatives from the Michigan veterans trust fund to work in concert to identify, implement, and evaluate steps to do all of the following:

(a) Increase the veterans service directors committee and the department's role in working directly with the United States department of veterans' affairs to enhance the delivery of services to Michigan veterans.

(b) Increase the number of initial claims filed with the United States department of veterans' affairs on behalf of veterans for service-connected disability or pension benefits. The veterans service directors committee and the department may work toward either an absolute increase of approved claims or an increase in the percentage of Michigan veterans with approved claims.

(c) Develop methods to increase rates of recovery paid by the United States department of veterans' affairs to Michigan veterans either by an increase in compensation paid per approved claim or increase in compensation paid on a per capita basis.

(d) Expand training opportunities for veterans service organization service officers.

(e) Increase either the number or percentage of Michigan veterans enrolled in the VA health care system.

(f) Publicize the availability, benefit, and value of burial in the Fort Custer and Great Lakes national cemeteries.

(g) Review each grant recipient's performance under the program and require that performance be a major consideration in the future funding of each grant recipient.

(h) Identify areas of redundancy which may exist among services provided by veterans service organizations grantees, Michigan veterans trust fund county committees, and county veterans counselors and provide a proposal on how any redundancies may be minimized and identify specific cost savings which could result.

(6) The veterans service directors committee, the Michigan association of county veterans counselors, and the department shall create a report of the efforts to complete the goals outlined in this section and shall provide suggestions on how a more effective and efficient veterans' benefits counseling program may best be designed for implementation for fiscal year 2009-2010. This report shall be delivered to the house and senate appropriations subcommittees no later than March 1, 2009.

#### **VETERANS' HOMES**

Sec. 601. Appropriations in this act for the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home shall not be used for any purpose other than for veterans and veterans' families.

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2009.

Sec. 603. The money appropriated in this act for the boards of managers may be expended for facility improvements, the purchase and repair of equipment and furnishings, member services, and other purposes that benefit the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home.

Sec. 604. The department shall, prior to altering the spending plan by the board of managers of post and posthumous funds, report to the appropriate senate and house appropriations subcommittees 30 days prior to that action and shall indicate the rationale for that decision.

#### **VETERANS' TRUST FUND**

Sec. 703. By April 1, 2009, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2007-2008. The report shall include information on grants provided from the emergency grant program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs and restore the Michigan veterans' trust fund corpus to its original amount of \$50,000,000.00.

Sec. 704. The Michigan veterans affairs directorate administration and the Michigan veterans' trust fund administration shall take steps to assist the county veterans counselors of the state to obtain training necessary for the execution of their duties.

#### **CAPITAL OUTLAY**

Sec. 801. The appropriations in part 1 for the department of military and veterans affairs design and construction projects are contingent upon the availability of federal and state restricted funds for financing.

Sec. 802. (1) The director shall allocate lump-sum appropriations made in this bill consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 803. 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.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Richard LeBlanc  
John Espinoza  
Mike Nofs  
Conferees for the House

Valde Garcia  
Alan L. Cropsey  
Jim Barcia  
Conferees for the Senate

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsey moved that the rule be suspended.

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

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. 484**

#### **Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott

Bishop  
Brater  
Brown  
Cassis  
Cherry

Gilbert  
Gleason  
Hardiman  
Hunter

McManus  
Olshove  
Pappageorge  
Patterson

Stamas  
Switalski  
Thomas  
Van Woerkom

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Cropsey moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

**House Bill No. 5814, entitled**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

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. 5814, entitled**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

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 appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF HUMAN SERVICES**

**APPROPRIATION SUMMARY:**

Full-time equated classified positions ..... 10,395.8

	For Fiscal Year Ending Sept. 30, 2009
Full-time equated unclassified positions.....	6.0
Total full-time equated positions .....	10,401.8
GROSS APPROPRIATION .....	\$ 4,580,607,100
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	2,416,700
ADJUSTED GROSS APPROPRIATION .....	\$ 4,578,190,400
Federal revenues:	
Total federal revenues.....	3,174,008,200
Special revenue funds:	
Total private revenues.....	10,174,700
Total local revenues.....	47,161,100
Total other state restricted revenues .....	61,589,200
State general fund/general purpose .....	\$ 1,285,257,200
<b>Sec. 102. EXECUTIVE OPERATIONS</b>	
Total full-time equated positions .....	396.7
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	390.7
Unclassified salaries—6.0 FTE positions.....	\$ 617,900
Salaries and wages—267.7 FTE positions .....	16,422,000
Contractual services, supplies, and materials .....	5,990,200
Demonstration projects—9.0 FTE positions .....	9,483,000
Inspector general salaries and wages—99.0 FTE positions .....	5,809,900
Electronic benefit transfer EBT.....	7,333,600
Michigan community service commission—15.0 FTE positions .....	9,741,100
Internal audit services.....	810,500
State office of administrative hearings and rules .....	4,204,700
GROSS APPROPRIATION .....	\$ 60,412,900
Appropriated from:	
Federal revenues:	
Total federal revenues.....	38,038,700
Special revenue funds:	
Total private revenues.....	3,199,600
Total local revenues.....	175,000
Total other state restricted revenues .....	25,000
State general fund/general purpose .....	\$ 18,974,600
<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
Full-time equated classified positions .....	213.7
Child support enforcement operations—207.7 FTE positions .....	\$ 24,381,800
Legal support contracts .....	139,753,600
Child support incentive payments .....	32,409,600
State disbursement unit—6.0 FTE positions .....	18,508,900
GROSS APPROPRIATION .....	\$ 215,053,900
Appropriated from:	
Federal revenues:	
Total federal revenues.....	186,308,600
Special revenue funds:	
Total local revenues.....	340,000
Total other state restricted revenues .....	2,795,000
State general fund/general purpose .....	\$ 25,610,300
<b>Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY</b>	
Full-time equated classified positions .....	17.0
Bureau of community action and economic opportunity operations—17.0 FTE positions .....	\$ 1,929,900
Community services block grants .....	27,068,000
Weatherization assistance .....	18,418,700
GROSS APPROPRIATION .....	\$ 47,416,600

For Fiscal Year  
Ending Sept. 30,  
2009

Appropriated from:

Federal revenues:

Total federal revenues.....	\$	47,416,600
State general fund/general purpose .....	\$	0

**Sec. 105. ADULT AND FAMILY SERVICES**

Full-time equated classified positions ..... 41.7

Executive direction and support—5.0 FTE positions.....	\$	434,200
Guardian contract .....		600,000
Adult services policy and administration—6.0 FTE positions.....		627,100
Income support policy and administration—29.7 FTE positions.....		4,823,600
Employment and training support services .....		37,955,100
Wage employment verification reporting .....		848,700
Urban and rural empowerment/enterprise zones .....		100
Nutrition education.....		28,000,000
Marriage initiative—0.5 FTE position .....		2,475,000
Fatherhood initiative—0.5 FTE position.....		1,725,000
Crisis prevention and elder law of Michigan food for the elderly project.....		200,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>77,688,800</u>

Appropriated from:

Federal revenues:

Total federal revenues.....		53,472,700
State general fund/general purpose .....	\$	24,216,100

**Sec. 106. CHILDREN'S SERVICES**

Full-time equated classified positions ..... 147.3

Salaries and wages—44.2 FTE positions.....	\$	2,887,600
Contractual services, supplies, and materials .....		936,300
Foster care payments.....		213,230,700
Adoption subsidies .....		242,225,300
Adoption support services—7.2 FTE positions.....		17,797,600
Youth in transition—2.0 FTE positions.....		13,266,800
Interstate compact.....		231,600
Children's benefit fund donations .....		21,000
Teenage parent counseling—2.3 FTE positions .....		3,816,800
Families first.....		16,946,700
Strong families/safe children—3.0 FTE positions.....		12,902,100
Community protection and permanency—37.5 FTE positions .....		21,802,800
Zero to three.....		3,843,800
Family group decision making .....		2,454,700
Family reunification program.....		3,977,100
Family preservation and prevention services administration—14.5 FTE positions .....		2,156,800
Black child and family institute .....		100,000
Children's trust fund administration—12.0 FTE positions.....		1,032,100
Children's trust fund grants .....		3,825,100
ECIC, early childhood investment corporation .....		14,823,000
Attorney general contract .....		3,349,700
Prosecuting attorney contracts.....		1,061,700
Child protection—5.0 FTE positions.....		803,200
Subsidized guardianship program.....		4,575,000
Domestic violence prevention and treatment—14.6 FTE positions .....		14,773,700
Rape prevention and services .....		2,600,000
Michigan youth opportunity initiative .....		1,225,000
Title IV-E compliance and accountability office—5.0 FTE positions.....		392,700
Bridges Toward Responsible Adulthood .....		1,000,000
Child care fund in-home care incentive program.....		100
Communities in schools .....		200,000
Kent county child welfare demonstration project .....		300,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>608,559,000</u>

For Fiscal Year  
Ending Sept. 30,  
2009

Appropriated from:	
Interdepartmental grant revenues:	
IDG from DCH - crime victims' rights fund .....	\$ 1,300,000
Federal revenues:	
Total federal revenues.....	378,146,800
Special revenue funds:	
Private - children's benefit fund donations.....	21,000
Private - collections .....	3,225,000
Local funds - county chargeback .....	22,304,200
Compulsive gaming prevention fund.....	1,040,000
Children's trust fund.....	3,805,400
State general fund/general purpose .....	\$ 198,716,600
<b>Sec. 107. JUVENILE JUSTICE SERVICES</b>	
Full-time equated classified positions .....	434.5
High security juvenile services—137.0 FTE positions .....	\$ 17,005,100
Medium security juvenile services— 224.0 FTE positions.....	21,326,400
Community juvenile justice centers—27.0 FTE positions .....	2,691,700
Adrian training school property development .....	500,000
Child care fund.....	215,432,300
Child care fund administration—5.8 FTE positions.....	775,400
County juvenile officers .....	3,890,500
Community support services—2.0 FTE positions .....	1,495,500
Juvenile justice administration and maintenance—20.0 FTE positions .....	2,703,200
Federally funded activities—13.7 FTE positions .....	1,866,200
W.J. Maxey memorial fund .....	45,000
Juvenile accountability incentive block grant—1.0 FTE positions .....	1,297,900
Committee on juvenile justice administration—4.0 FTE positions.....	511,800
Committee on juvenile justice grants .....	5,000,000
GROSS APPROPRIATION .....	\$ 274,541,000
Appropriated from:	
Federal revenues:	
Total federal revenues.....	95,539,600
Special revenue funds:	
Total private revenues.....	45,000
Local funds - state share education funds .....	2,828,500
Local funds - county chargeback .....	19,695,500
State general fund/general purpose .....	\$ 156,432,400
<b>Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS</b>	
Full-time equated classified positions .....	8,346.5
Field staff, salaries and wages—8,063.7 FTE positions .....	\$ 420,893,500
Contractual services, supplies, and materials .....	17,222,100
Medical/psychiatric evaluations.....	6,300,000
Donated funds positions—131.0 FTE positions.....	10,801,900
Training and program support—23.0 FTE positions.....	3,603,700
Child welfare institute—40.0 FTE positions .....	5,808,000
Food stamp reinvestment—78.8 FTE positions.....	8,663,800
Wayne County gifts and bequests .....	100,000
Volunteer services and reimbursement .....	1,294,900
SSI advocates—10.0 FTE positions .....	2,166,100
GROSS APPROPRIATION .....	\$ 476,854,000
Appropriated from:	
Federal revenues:	
Total federal revenues.....	264,646,100
Special revenue funds:	
Local funds - donated funds.....	1,817,900
Private funds - donated funds.....	654,400



	For Fiscal Year Ending Sept. 30, 2009
Private funds - Wayne County gifts .....	\$ 100,000
Private funds - hospital contributions.....	2,929,700
Supplemental security income recoveries.....	677,600
State general fund/general purpose .....	\$ 206,028,300
<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>	
Full-time equated classified positions .....	569.4
Disability determination operations—545.9 FTE positions .....	\$ 83,045,500
Medical consultation program—19.4 FTE positions.....	2,672,200
Retirement disability determination—4.1 FTE positions .....	826,800
GROSS APPROPRIATION .....	\$ 86,544,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DMB - office of retirement systems.....	1,116,700
Federal revenues:	
Total federal revenues.....	82,601,100
State general fund/general purpose .....	\$ 2,826,700
<b>Sec. 110. CENTRAL SUPPORT ACCOUNTS</b>	
Rent .....	\$ 42,830,900
Occupancy charge.....	8,744,200
Travel.....	5,689,900
Equipment.....	277,300
Worker's compensation.....	3,993,000
Advisory commissions.....	17,900
Payroll taxes and fringe benefits .....	259,871,000
GROSS APPROPRIATION .....	\$ 321,424,200
Appropriated from:	
Federal revenues:	
Total federal revenues.....	187,965,300
State general fund/general purpose .....	\$ 133,458,900
<b>Sec. 111. BUREAU OF CHILDREN AND ADULT LICENSING</b>	
Full-time equated classified positions .....	228.0
AFC, children's welfare and day care licensure—228.0 FTE positions .....	\$ 24,307,000
GROSS APPROPRIATION .....	\$ 24,307,000
Appropriated from:	
Federal revenues:	
Total federal revenues.....	12,100,300
Special revenue funds:	
Licensing fees.....	627,300
Health systems fees and collections.....	355,200
State general fund/general purpose .....	\$ 11,224,200
<b>Sec. 112. PUBLIC ASSISTANCE</b>	
Full-time equated classified positions .....	7.0
Family independence program .....	\$ 360,586,800
State disability assistance payments.....	35,233,600
Food assistance program benefits.....	1,221,340,900
State supplementation.....	59,480,800
State supplementation administration.....	2,477,100
Low-income home energy assistance program.....	116,451,600
Food bank funding.....	675,000
Homeless programs .....	11,646,700
Multicultural assimilation funding .....	1,715,500
Indigent burial .....	5,909,300
Emergency services local office allocations.....	21,865,500
Day care services.....	382,629,800
Day care training, technology, and oversight.....	2,496,700
Refugee assistance program—7.0 FTE positions .....	12,703,700
GROSS APPROPRIATION .....	\$ 2,235,213,000

	For Fiscal Year Ending Sept. 30, 2009
Appropriated from:	
Federal revenues:	
Total federal revenues.....	\$ 1,728,872,800
Special revenue funds:	
Child support collections.....	34,497,100
Supplemental security income recoveries.....	14,156,600
Public assistance recoupment revenue.....	3,610,000
State general fund/general purpose .....	\$ 454,076,500
<b>Sec. 113. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 102,294,500
Child support automation .....	50,297,700
GROSS APPROPRIATION .....	\$ 152,592,200
Appropriated from:	
Federal revenues:	
Total federal revenues.....	98,899,600
State general fund/general purpose .....	\$ 53,692,600

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**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 2008-2009 is \$1,346,846,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$143,572,200.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

Child care fund.....	\$ 138,133,500
County juvenile officers .....	3,645,500
State disability assistance payments.....	\$ 1,793,200
TOTAL.....	\$ 143,572,200

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

Sec. 203. As used in this act:

- (a) "AFC" means adult foster care.
- (b) "DCH" means the department of community health.
- (c) "Department" means the department of human services.
- (d) "DMB" means the department of management and budget.
- (e) "ECIC" means early childhood investment corporation.
- (f) "FTE" means full-time equated.
- (g) "IDG" means interdepartmental grant.
- (h) "JET" means jobs, education and training program.
- (i) "RSDI" means retirement survivors disability insurance.
- (j) "SSI" means supplemental security income.
- (k) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (l) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655 and 656 to 669b.
- (m) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.
- (n) "VA" means veterans affairs.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed

any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives appropriations committees and the senate and house fiscal agencies and policy offices on the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 207. (1) The department shall provide an evaluation of any effort to privatize services or transfer services from the private to the public sector within 9 months of implementation to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies.

(2) 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.

(3) 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. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This shall include transmission of reports via electronic mail, including a link to the Internet site, to the recipients identified for each reporting requirement, or it may include placement of reports on the Internet or Intranet site. On an annual basis, the department shall provide a cumulative listing of the reports to the house and senate appropriations subcommittees and the house and senate fiscal agencies and policy offices.

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 should 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 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. 211. 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. 212. (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 or current year revenues that are in excess of the authorized amount.

(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. The department shall submit a written report to the chairpersons of the senate and house appropriations subcommittees on the department budget that identifies all reimbursements, refunds, adjustments, and settlements from prior years to be used to satisfy appropriation fund sources.

Sec. 213. (1) 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 executive operations appropriation unit.

(2) The department shall report to the legislature during the senate and house budget hearings on the status of the food stamp error rate. The report shall include at least all of the following:

- (a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.
- (b) Review of the status of training for employees who administer the food assistance program.
- (c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.
- (d) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.
- (e) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Sec. 214. (1) The department shall submit a report to the chairpersons of 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 details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and

grants within each program line item appropriated for the fiscal year ending September 30, 2009. With regard to federal appropriations, for each program line item funded by no more than 3 federal funding sources, the department shall provide estimates of the allocation of the appropriation for each specific federal funding source.

(2) On a bimonthly basis, the department shall report on the number of FTEs in pay status by type of staff.

Sec. 215. If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact.

Sec. 216. 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 on or before March 1, 2009 a report on appropriated and supportable FTE positions within the executive budget proposal for the fiscal year beginning October 1, 2009. The report shall contain all of the following information for each individual line item contained in the executive budget proposal for the department budget:

(a) The number of FTEs to be funded from the line item.

(b) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item.

(c) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item on which was based the increase in the executive budget proposal from the amount appropriated for the line item in the department budget for the fiscal year ending September 30, 2009, if different from the amount in subdivision (b).

(d) The portion of the amount described in subdivision (b) that is proposed to be taken from each funding source identified in the budget.

(e) The gross salary and wage expenditures for the line item during the fiscal year ending September 30, 2008 and the estimated salary and wage expenditures for the line item during the fiscal year ending September 30, 2009.

(f) The estimated number of FTE positions supportable by the amount described in subdivision (b).

Sec. 217. (1) Due to the current budgetary problems in this state, 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.

(g) The travel is necessary as part of the training of department workers or the staff of private providers through the child welfare institute.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house standing committees on appropriations.

(3) Not later than January 1 of each year, 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 chairs and members of the house and senate appropriations committees, 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. 218. (1) The department shall prepare an annual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies and policy offices within 10 days after presentation of the executive budget.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the department and to the house and senate fiscal agencies and policy offices of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated. The written notice shall be given not less than 30 days before any changes being made in the funding allocations. This prior notice requirement also applies to new plans submitted in response to federal TANF reauthorization or replacement by an equivalent federal law.

Sec. 219. 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 the department to attend or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

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. 221. If the revenue collected by the department from private and local sources exceeds the amount spent from amounts appropriated in part 1, the revenue may be carried forward, with approval from the state budget director, into the subsequent fiscal year.

Sec. 222. (1) The department shall report no later than April 1, 2009 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, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt 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.

(3) 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. 223. The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant when disability is an eligibility factor. For all other Medicaid applicants, the department shall make a determination of Medicaid eligibility not later than 45 days after all information to make the determination is received from the applicant.

Sec. 224. The department shall approve or deny a Medicaid application for a patient of a nursing home within 45 days after the receipt of the necessary information.

Sec. 225. The department shall develop a rapid redetermination process for nursing home residents whose Medicaid stay is greater than 90 days. This process shall be implemented not later than September 30, 2009.

Sec. 227. The department, with the approval of the state budget director, is authorized to realign sources of financing authorizations in order to maximize temporary assistance for needy families' maintenance of effort countable expenditures. This realignment of financing shall not be made until 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

Sec. 259. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 262. (1) The department, in conjunction with county department of human services boards of directors and the department of management and budget, shall implement a plan to assist local services delivery effectiveness and efficiency by maximizing use of state resources while responding to unique needs in geographic regions of the state. The department shall work with the department of management and budget to reduce unnecessary layers of management, such as zone offices or regional offices that may have assumed their functions before eliminating county offices, particularly when those county office closures would subject clients and residents to lengthy travel in order to meet or consult with their caseworker. Savings resulting from the plan shall be allocated to county offices to fund additional frontline workers. By February 1, 2009, the department shall submit a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget director that outlines the plan and shall include a review of the structures of the regional zone offices, describing their similarities and dissimilarities between regions.

(2) The department shall not close county offices in Presque Isle County, Ontonagon County, Baraga County, Iron County, or other counties where closure would subject clients to undue travel burdens.

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. 270. (1) The department shall continue to implement a plan to provide client-centered results-oriented programs and services for each of the following programs:

- (a) Day care assistance.
- (b) Family independence program.
- (c) Adoption subsidy.
- (d) Foster care.
- (e) Juvenile justice services.
- (f) Jobs, education, and training (JET) pilot program and other welfare reform activities.

(2) The plan shall include detailed information to be compiled on an annual basis by the department on the following for each program listed in subsection (1):

- (a) The average cost per recipient served by the program.
  - (b) Measurable performance indicators for each program.
  - (c) Desired outcomes or results and goals for each program that can be measured on an annual basis, or desired results for a defined number of years.
  - (d) Monitored results for each program.
  - (e) Innovations for each program that may include savings or reductions in administrative costs.
- (3) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget the information listed in subsection (2).

Sec. 271. The department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices detailing the findings and progress related to all of the following:

- (a) Changes made by the courts with respect to court forms and court rules to meet the requirements of the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.
- (b) Department policy changes within the areas of foster care, juvenile justice, and adoption to meet the statutory requirements of the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.
- (c) A summary of the 7 systemic factors that determine this state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.
- (d) A summary of the 7 data outcome indicators used to determine this state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, including the length of time required to achieve family reunification for foster care cases.
- (e) Federal recommendations made to this state, including recommendations to the courts.
- (f) Federal penalties assessed against this state for noncompliance.
- (g) Status of the performance improvement plan submitted to the federal government.

Sec. 272. The department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report detailing the findings and progress of all of the following:

- (a) Training programs conducted by the department, a university affiliate, the child welfare institute, the Michigan judicial institute, and any private agencies that have been authorized to provide training.
- (b) Changes made by the courts on court forms and rules used in meeting the statutory requirements of the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.
- (c) Department policy changes that impact meeting the statutory requirements of the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, for child care assistance, the family independence program, the JET program, and foster care and adoption, including juvenile justice programs.
- (d) Recommendations for better compliance with federal standards and increased eligibility for federal money made by a workgroup composed of representatives from the department and other departments, public and private agencies, and individual citizens.
- (e) Federal recommendations submitted to this state, including recommendations to the courts.
- (f) Federal penalties assessed against this state.
- (g) Changes in policies or practices resulting in additional federal money, including how much additional federal money was received.

(h) Any federal warnings or notices of potential sanctions or penalties that may be imposed unless corrective state action is taken.

- (i) Measures taken to prevent or avoid sanctions.

Sec. 273. (1) On a timely basis, the department shall report to the senate and house standing committees on human services and the senate and house appropriations subcommittees with oversight on the department budget regarding policy

changes made to implement the provisions of enacted legislation, including the annual appropriation for the department budget.

(2) On an annual basis, the department shall provide a cumulative list of all policy changes in the following areas: child welfare services, child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care. The list shall be distributed to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees dealing with human services, and the senate and house fiscal agencies and policy offices.

(3) Not later than July 1, 2009, 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 with copies of the annual regulatory plan submitted to the state office of administrative hearings and rules pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253. The annual regulatory reform plan shall not include proposals for rule promulgation that exceed the statutory authority granted to the department.

(4) Money for the preparation of the regulatory reform plan shall be provided solely in section 102 of the funds appropriated in part 1. Money appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would exceed statutory authority granted to the department. If the department fails to comply with the provisions of section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no money shall be expended for the further preparation of that regulatory plan or the promulgation of rules for that regulatory plan.

(5) Money appropriated in part 1 shall not be used to prepare a regulatory plan or promulgate rules that fail to reduce the disproportionate economic impact on small businesses as required in section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(6) Money appropriated in part 1 shall not be used to prepare a regulatory plan or promulgate rules that grant preferences to private providers of services based on whether that private provider has a collective bargaining agreement with its workers.

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for, listing both grants applied for and not applied for. This report will cover grants exceeding \$500,000.00, related to fatherhood and marriage initiatives, teen pregnancy prevention, kinship care, before- and after-school programs, family preservation and prevention, homeless prevention, and youth in transition.

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department, including services expanded such as the SSI advocacy program. A contract under this section shall specify that the contractor locate waste, fraud, error, and abuse within the department's services and programs.

(2) A contractor shall not charge the department a fee for services provided under subsection (1). However, a contractor shall receive a negotiated percentage of the savings not to exceed 25% of the gross savings achieved from implementation of a recommendation made by the contractor under this section.

(3) The department shall retain any savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

(a) Technology programs that help maintain an effective and efficient computer system for caseworkers.

(b) Additional staff in order to reduce caseload-to-worker ratios.

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by December 31, 2008 on the waste, fraud, error, and abuse located under subsection (1). By April 1, 2009, the department shall provide a progress report including the specific changes implemented to achieve savings under this section and the timetable for implementation of the remaining changes.

Sec. 279. All contracts relating to human services entered into or renewed by the department on or after October 1, 2008 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. During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget with the measurable performance indicators, desired outcomes, and the assessment of the quality of services provided for each contract relating to human services entered into by the department during the fiscal year ending September 30, 2009.

Sec. 280. The department shall submit a report to the house and senate appropriations subcommittees for the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by February 1, 2009 on the status of the department's information technology improvement initiative "Bridges" integration project. The report shall include details on the following:

(a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by project.

(b) The amounts of appropriations carried forward as work projects from previous fiscal years for information technology projects.

(c) A listing of the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.

(d) A narrative describing anticipated information technology needs for the department in future years.

(e) A projection of the resources necessary to expand the capability of the Bridges system to link with the law enforcement information network operated by the department of state police.

Sec. 283. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 284. (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 this act 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 this act 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 \$20,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act 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 \$20,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 285. From the money appropriated in part 1, the department shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2009 and September 30, 2009, the department shall submit a report to the state budget director, the senate and house appropriations subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in department programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.

Sec. 286. The department shall contract with a private company to conduct a study of ways to streamline the department's procurement procedures for durable goods and services. A report and recommendations for streamlining the department's procurement procedures shall be prepared by the private contractor and submitted to the house and senate appropriations committees and the house and senate fiscal agencies by November 30, 2008.

Sec. 287. The department shall work collaboratively with the child death review board and court system to improve communication and coordination between entities on the review and examination of child death in Michigan.

Sec. 288. The department shall not establish time limits on payments to providers for properly documented services purchased by the department.

Sec. 295. It is the intent of the legislature to mandate the department to cooperate with the department of state police to incorporate the law enforcement information network system into Bridges system in fiscal year 2009-2010.

Sec. 296. (1) In addition to the money appropriated in part 1, there is appropriated up to \$21,889,600.00. This appropriation is contingent upon the receipt of temporary assistance for needy families contingency funds in fiscal year 2007-2008, and a subsequent carryforward of temporary assistance for needy families block grant revenues into fiscal year 2008-2009, and upon certification from the state budget director that the funds are available for expenditure. Of this amount, up to: \$4,900,000.00 children's rights lawsuit-related legal expenses; \$4,989,600.00 may be used for a family independence program grant increase; \$10,000,000.00 may be used to increase the child day care provider rate increases; and \$2,000,000.00 may be used to support strong families safe children program costs. Any federal matching funds projected to be earned in addition to the \$21,889,600.00 for the purposes outlined in this subsection are also appropriated.

(2) The money appropriated in subsection (1) shall be considered 1-time authority.

(3) The department, with the approval of the state budget director, is authorized to realign sources of financing authorizations related to expenditure of the money appropriated in subsection (1) in order to spend the funds in a manner allowable by federal rules and regulations. This realignment of financing shall not be made until 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

#### **EXECUTIVE OPERATIONS**

Sec. 305. If federal funds become available to support a lead testing program, the department shall, before issuing a license for a day care facility and as part of licensing review and facility inspection, require documentation verifying that the facility has been inspected for lead hazards and that any lead hazards identified have been remediated.



Sec. 306. Of the funds appropriated in part 1 for demonstration projects, the department shall allocate \$200,000.00 to support the kinship care resource center administered by the Michigan state university school of social work. Funding is contingent upon the center's reporting of necessary data to the department to demonstrate TANF or maintenance of effort eligibility. The center shall submit quarterly reports to the department detailing expenditures from this appropriation and reviewing program outcomes including the number of families served through counseling, respite care, and other services as well as the number provided with information on kinship care. The department shall submit each quarterly report to the house and senate appropriations subcommittees on the department budget by January 15, April 15, July 15, and October 15 of each year.

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, \$200,000.00 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) Money 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, 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 money 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 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, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

Sec. 308. From the money appropriated in part 1 for demonstration projects, \$200,000.00 shall be expended on a contract with the University of Detroit Mercy to provide legal services for disabled veterans who are seeking eligibility under federal disability programs, including federal supplemental security income. The contract shall fund a statewide effort by the university through use of its mobile office to deliver these legal services.

Sec. 309. From the money appropriated in part 1 for demonstration projects, the department shall provide \$100,000.00 to Youthville Detroit.

Sec. 310. From the money appropriated in part 1 for demonstration projects, the department shall provide \$120,000.00 for a pilot program in Sanilac County. The program shall coordinate a comprehensive system of care and referral for area families with children ages zero to 18.

#### **ADULT AND FAMILY SERVICES**

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

(2) The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support.

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the promotion of responsible fatherhood funds from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 416. (1) In expending money appropriated in part 1 for the marriage initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

(2) The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the healthy marriage promotion grant from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 418. From the funds appropriated in part 1 for employment and training support services, the department may expand the availability of individual development accounts (IDAs) with \$200,000.00 for allocation to qualified IDA programs established through the Michigan IDA partnership to serve TANF eligible households in Michigan. The Michigan IDA partnership shall encourage each TANF eligible household served to claim the federal and state earned income tax credit (EITC) and to incorporate all or part of any tax credit received in the household's IDA savings plan, and shall provide the household with information concerning available free tax assistance resources. In addition, the Michigan IDA partnership and its program sites shall participate in community EITC coalitions established under the plan to increase the EITC participation of TANF families referenced in section 666. The same amount shall be appropriated annually to further expand IDA opportunities to low-income families to become more financially self-sufficient through financial education, saving, wise investment in home ownership, postsecondary education, small business development, or a combination of those programs.

Sec. 419. The department in collaboration with the Michigan State University center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

(a) Creation of a Michigan-based support system for the capacity-building of existing and emerging CDCUs serving low-income individuals and families, including development and testing of training, technical assistance, and professional development initiatives and related materials, and other capacity-building services to Michigan CDCUs.

(b) Other related support to assist existing and emerging CDCUs in becoming self-supporting institutions to assist impoverished Michigan residents in becoming economically independent.

(c) Training and technical assistance to CDCUs in the development of support services, such as economic literacy, credit counseling, budget counseling, and asset management programs for low-income individuals and families.

Sec. 420. From the money appropriated in part 1 for employment and training support services, the department may allocate \$40,000.00 in TANF for welfare to career innovation grants to replicate the Kent County model with Cascade engineering.

Sec. 423. (1) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$75,000.00 to support ongoing efforts in Barry County to provide programs to women or children, or both, facing crisis situations as a result of domestic violence or abuse.

(2) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate not less than \$100,000.00 to assist this state's elderly population to participate in the food assistance program. The money may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food stamp hotline.

(3) Of the funds appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$25,000.00 for a food aid outreach project in Muskegon County and \$25,000.00 for a food aid outreach project in Kent County.

Sec. 424. Of the funds appropriated in part 1 for employment and training, \$200,000.00 in TANF funds may be used for the effective family formation program by the child and family resource council in Kent County for the purpose of instructing unwed parents in developing family formation and sustaining behaviors.

#### **CHILDREN'S SERVICES**

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2009, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care between 12 and 24 months, and those who remain in foster care longer than 24 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. The department shall continue adoption subsidy payments to families after the eighteenth birthday of an adoptee who meets the following criteria:

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her nineteenth birthday.
- (d) Is not eligible for federal supplemental security income (SSI) payments.

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 state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The department may invoice the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by part 1.

(3) The department shall collaborate with the state child abuse and neglect prevention board to develop recommendations on how to best incorporate child abuse prevention strategies and practices into suggested changes in state statute and department policy. The department shall provide any recommendations developed with the state child abuse and neglect prevention board to the senate and house standing committees on human services and appropriations subcommittees on the department budget not later than March 1, 2009.

(4) From the funds appropriated in part 1 for children's trust fund administration, the department shall devote \$180,000.00 towards 2.0 additional FTE for administration of the children's trust fund.

(5) From the funds appropriated in part 1 for the children's trust fund, the department may utilize interest and investment revenue from the current fiscal year only for programs, administration, services, or all sanctioned by the child abuse and neglect prevention board.

(6) The department and the child abuse neglect and 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 seek to have the children's trust fund grants distributed no later than October 31, 2008.

Sec. 509. (1) From the funds appropriated in part 1, the department shall not expend funds to preserve or reunite a family, unless there is a court order requiring the preservation or reuniting of the family or the court denies the petition, if either of the following would result:

- (a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.
- (b) A child would be living in the same household with a parent or other adult against whom there is a substantiated charge of sexual abuse against a child.

(2) Notwithstanding subsection (1), this section shall not prohibit counseling or other services provided by the department, if the service is not directed toward influencing the child to remain in an abusive environment, justifying the actions of the abuser, or reuniting the family.

Sec. 510. The department shall not be required to put up for bids a contract with a service provider if the service provider is nationally accredited or is currently the only provider in the service area.

Sec. 513. (1) The department and representatives of private, licensed child caring institutions shall collaborate in establishing an out-of-state child placement task force to make recommendations on the out-of-state placement of children. Representation on the task force shall be equally divided between the department and private, licensed child caring institutions.

(2) The department shall not expend money 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, and an out-of-state placement exists within 100 miles of the child's home.
- (b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.
- (c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.
- (d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

(3) The child placement task force shall work with the department to establish a reporting process by which counties and courts may report negative experiences with out-of-state facilities, and whether they would or would not recommend placement of youth in those facilities.

(4) The department shall submit a report by February 1 of each year on the number of children who were placed in out-of-state facilities during the previous fiscal year, the number of Michigan children residing in such 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.

(5) The department shall cooperate with the auditor general to conduct an audit of out-of-state placements for the fiscal year ending September 30, 2008 to determine if the department properly enforced the criteria set forth in section 513 of article 10 of 2006 PA 345, and to determine if payments to counties were made for cases that were not eligible under the provisions of that act. The purpose of this audit is solely to determine compliance with the criteria. No child who was placed improperly in an out-of-state placement shall be forced to relocate to another placement as a result of this audit. A county that has received payment for a case that this audit determines to be ineligible shall not be required to reimburse the state for that payment.

(6) Future budgets for the department shall include a requirement for audits similar to the audit required in subsection (5). If a future audit determines a county has been improperly paid for an ineligible case under this section, the county may be required to repay the amount received for the ineligible case.

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 January 1, 2009, that shall include all of the following:

(a) Statistical information including, at a minimum, all of the following:

(i) The total number of reports of abuse or 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 abuse or 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 significant health and environmental hazards.

(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.

(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) The information contained in the report required under section 8d(5) of the child protection law, 1975 PA 238, MCL 722.628d, on cases classified under category III.

(d) The department policy, or changes to the department policy, regarding termination of parental rights or foster placement for children who have been exposed to the production of illicit drugs in their dwelling place or a place frequented by the children.

(e) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. The department shall use performance-based models for foster care services with agencies and other providers that provided satisfactory services under contract before January 1, 2008. The goal of these contracts shall be to provide incentives for agencies to improve services for children in foster care, but especially to improve the process of finding them quality permanent placements, and reducing their time as foster children. Not later than March 30, 2009, the department shall provide an update to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the office of the state budget on benchmarks developed in conjunction with private providers for this performance model, results the department or agencies have achieved in improving permanency placements, and recommendations for further improvements for foster care services across the entire state.

Sec. 516. (1) The department shall implement a child welfare service pilot project in Kent County no later than July 1, 2009. The pilot project will provide for the purchase of all child welfare services, excluding child protection and evaluation services, from child placing agencies.

(2) The department shall collaborate with child placing agencies under contract with the department in Kent County to achieve the following by June 30, 2009:

(a) Identify the goals and outcomes to be achieved with implementation of the project.

(b) Determine the process through which the department will monitor the project by utilizing total quality management, utilization review, and outcome monitoring and systems review.

(c) Develop a policy that will require child placing agencies, upon referral from the department, to accept placement and permanency planning responsibilities for every child in Kent County in court-ordered out-of-home placement.

(d) Create a process for an independent multi-diagnostic child evaluation to determine the specific needs of children in need of placement.

(e) Develop a treatment foster care model, a plan for a system of care model to include community mental health agencies and family courts, and a model for full family responsibility.

(3) The department shall provide a report not later than June 30, 2009 to the senate and house appropriations subcommittees on the department budget, senate and house fiscal agencies, and senate and house policy offices on the

program outlined in subsection (2), and a quarterly report thereafter, on the successes and failures of the project and any recommendations for improvement.

(4) It is the intent of the legislature to expand the pilot project described in subsection (1) to additional counties in fiscal year 2009-2010.

Sec. 517. (1) From the funds appropriated in part 1, the department is authorized to allocate funds to multipurpose collaborative bodies. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) Funds appropriated in part 1 for 0 to 3 may be used to fund community-based collaborative prevention services designed to do any of the following:

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
- (b) Improve parent/child interaction.
- (c) Promote access to needed community services.
- (d) Increase local capacity to serve families at risk.
- (e) Improve school readiness.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for fiscal year 2008-2009 direct services grants.

(4) Projects funded through the appropriation provided for in subsection (2) shall meet all of the following criteria:

(a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.

(b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.

(c) Demonstrate that the planned services are part of the community's integrated comprehensive family support strategy endorsed by the community collaborative and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

(d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

(5) As used in this section, "state human services directors" means the director of the department of community health, the director of the department of education, and the director of the department.

Sec. 523. (1) From the funds appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, 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.

(2) The agencies receiving teenage parent counseling TANF funds shall report to the department on both of the following:

(a) Whether program services have impacted the following issue areas:

- (i) The number of teen participants having fewer repeat pregnancies.
- (ii) The completion rate for high school diplomas or GEDs.
- (iii) The teen participants' rate of self-sufficiency.
- (iv) The number of father participants.

(b) How many teens participate in the programs and have access to any or all of the following services:

- (i) Adult supervised, supportive living arrangements.
- (ii) Pregnancy prevention services or referrals.

(iii) Required completion of high school or receipt of GED, including child care to assist young mothers to focus on achievement.

(iv) Support services, including, but not limited to, health care, transportation, and counseling.

(v) Parenting and life-skills training.

(vi) Education, job training, and employment services.

(vii) Transition services in order to achieve self-sufficiency.

(viii) Instruction on self-protection.

(3) Agencies receiving teenage parent counseling funds shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations.

Sec. 524. The department shall report on prevention programs for which funds are appropriated in part 1 to the senate and house appropriations subcommittees on the department budget during the annual budget presentation. The report shall contain all of the following for each program:

(a) The average cost per recipient served.

(b) Measurable performance indicators.

(c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.

(d) Monitored results.

(e) Innovations that may include savings or reductions in administrative costs.

Sec. 531. (1) From the funds appropriated in part 1, the department shall make claims for and pay to local units of government the full benefit of federal title IV-E revenues earned as a result of the first \$5,000,000.00 of eligible costs incurred by local units of government.

(2) The department shall make payments under subsection (1) only to local units of government that have entered into formal agreements with the department. The agreement must include all of the following:

(a) Provide for the department to retain 50% of any federal revenues earned as a result of eligible costs above \$5,000,000.00.

(b) Provide for department review and approval of the local unit's plan for allocating costs to title IV-E.

(c) Provide for the local unit of government to submit bills at times, and in the format, specified by the department.

(d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.

(e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit that may subsequently be disallowed by the federal government.

(f) Be signed by the director of the department, the chief executive officer of the local government agency providing the title IV-E services, the chair of the county board of commissioners, and the chief executive officer of the county.

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, 2009 on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

(3) The department shall develop a plan to license relatives of foster children as foster care providers to ensure consistent high standards of care for those foster children. The department shall report on the plan to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children's issues, the senate and house fiscal agencies and policy offices, and the state budget director as part of the quarterly reports required by section 582.

Sec. 533. (1) The department shall make payments to child placing facilities for out-of-home care services within 30 days of receiving all necessary documentation from those agencies.

(2) The department shall explore various types of automated payments to private nonprofit child placing facilities to improve speed and accuracy of payments.

Sec. 536. The department shall not implement a geographically based assignment system for foster care unless determined to be in the best interests of the foster children.

Sec. 537. (1) The department, in collaboration with child placing agencies shall develop goals, objectives, and performance standards to evaluate achievements and results in providing quality foster care for children, reductions in their time in foster care, and better permanency placements.

(2) As part of the quarterly reports required by section 582, the department shall submit a report to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children's issues, the senate and house fiscal agencies and policy offices, and the state budget director on the goals, objectives, and performance standards developed under subsection (1) and the results or outcomes of using the measures.

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

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

Sec. 544. The department shall continue pilot projects with applications pending for accelerated residential treatment.

Sec. 546. (1) From the money appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of these services a \$27.00 administrative rate.

(2) The department shall calculate and report to the house and senate appropriations subcommittees on the department budget on the cost of care, on a per diem basis, for foster care services delivered directly by the department.

Sec. 547. From the money appropriated in part 1 for foster care payments and for child care fund, the department shall pay a private provider of independent living services a daily rate equal to the daily rate the provider received in the fiscal year ending September 30, 2008 plus a 4% increase to that daily rate.

Sec. 548. During the annual budget presentation to the house and senate appropriations subcommittees on the department budget, the department shall report on progress in implementing the recommendations of the task force that studied the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems as required under former section 548 of the fiscal year 2005-2006 budget act for the department.

Sec. 549. The department shall meet with personnel employed by the office of the children's ombudsman and the state court administrative office's foster care review board to investigate streamlining the oversight process for child welfare services and to ensure appropriate and adequate oversight while reducing duplication and redundancy between government offices.

Sec. 556. The department shall submit a report to the chairpersons of the senate and house of representatives appropriations committees and the senate and house fiscal agencies and policy offices that includes all of the following:

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

(b) The number of requests received by the department from adoptive parents for funds or reimbursement of costs to attend conferences that include training or discussion of significant adoption issues.

(c) The number of the requests described in subdivision (b) that were approved by the department.

(d) The number of the requests described in subdivision (b) that were denied by the department.

(e) The total amount of money expended on the requests described in subdivision (b) that were approved.

(f) The number of fair hearing requests from adoptive parents received by the department challenging the amount of the adoption subsidy.

(g) The number of challenges described in subdivision (f) alleging that a means test or similar test was used to determine the amount of the adoption subsidy.

(h) The number of challenges described in subdivision (f) alleging that an adoption subsidy amount was reduced without the consent of the adoptive parent.

(i) The number of challenges described in subdivision (f) alleging that a request for an increase in an adoption subsidy amount was denied based on a means test or similar test.

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

Sec. 559. If a conflict arises between the provisions of state law, department rules, or department policy, and the provisions of title IV-E, the provisions of title IV-E prevail.

Sec. 562. (1) The department shall allow a county to submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

(2) The department shall submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

Sec. 563. 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 demonstration project waiver.

Sec. 565. (1) From the funds appropriated in part 1 for federally-funded family preservation programs, the department shall allocate \$2,000,000.00 to Wayne County to provide home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth.

(2) One-half of the total amount allocated to Wayne County shall be used to serve adjudicated delinquent youth, and 1/2 shall be used to serve abused and neglected youth.

(3) Federal revenues shall be paid to Wayne County as reimbursement for actual costs incurred, consistent with established federal requirements.

(4) As a condition of receipt of federal funds pursuant to subsection (1), Wayne County shall provide the department with a plan for the use of allocated funds in a format to be specified by the department. The county shall also provide the department with all information required to demonstrate the appropriateness and allowability of expenditures and to meet federal financial and programmatic reporting requirements.

Sec. 566. (1) Subject to subsection (3), beginning October 1, 2008, preference shall be given in the provision of direct foster care services to public and private agencies that are nationally accredited.

(2) Contracts with licensed child placing agencies shall include specific performance and incentive measures with a focus on achieving permanency placement for children in foster care.

(3) Beginning October 1, 2007, the department shall not enter into or maintain a contract with a for-profit child placing agency, or with a nonprofit child placing agency that uses a for-profit management group or contracts with a

for-profit organization for its management, to provide direct foster care services unless the agency was licensed on or before August 1, 2007 and, if the agency is a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, the contract with the for-profit group or organization existed prior to August 1, 2007.

(4) It is the intent of the legislature to explore modifying current contract restrictions for foster care outlined in subsection (3).

Sec. 567. (1) The department, in conjunction with private, nonprofit child caring agencies and the chairpersons of the house and senate appropriations subcommittees on the department budget, shall review all policies, practices, and definitions for residential treatment security levels. The department shall give special consideration to how the levels affect the eligibility for title IV-E funding of residential facilities for both child welfare, abuse and neglect, and juvenile justice youth and whether the policies, practices, and definitions are consistent with federal title IV-E regulations, with the goal of maximizing the amount of federal money available to this state.

(2) In making its review under subsection (1), the department shall research the policies and practices of other states to determine how the states are able to maximize title IV-E money while complying with federal regulations.

(3) The department shall work to implement some of the program changes necessary to increase title IV-E reimbursement as identified through research completed in fiscal year 2007-2008 as mandated in section 567(2) of 2007 PA 131.

Sec. 568. (1) From the money appropriated in part 1 for child welfare improvements, the department may allow the private sector to compete for the money to achieve permanency placement for children in foster care and prioritize funding for children in foster care who have barriers to permanency placement.

(2) Beginning December 31, 2008, the department shall submit quarterly reports to the legislature that include all of the following information on the appropriation adjustments described in section 568(2) of 2007 PA 131 and those same appropriations adjustments in this act:

(a) The number of positions hired or paid from these appropriations, what their titles and responsibilities will be, what performance objectives and measurable outcomes they are required to satisfy, and what they are being paid in salaries, wages, and fringe benefits. If a community-based provider of adoption services assumes an adoption case that was previously handled by a public agency or worker, the time that the case was handled by the public agency or worker shall not be counted in a performance measure without the consent of the community-based provider.

(b) Information on any contracts for services that have been awarded and the performance objectives and measurable outcomes that are incorporated in the contracts and the successes or failures that are achieved as a result.

(c) Detailed information on any money spent for child welfare improvements and what measurable outcome is expected for the money being spent.

Sec. 570. (1) From the money appropriated in part 1 (1) for the subsidized guardianship program, the department shall provide subsidies under this program to children who are wards of the court under section 2(b) of chapter XIA of the probate code of 1939, 1939 PA 288, MCL 712A.2.

(2) The department shall make money available to children who are receiving services from the department at the time a guardian is appointed for the child, if the court appointing the guardian considers it necessary to continue those services for the success of the guardianship.

(3) The department may provide money to eligible children in the subsidized guardianship program on an as-needed basis or in the form of a 1-time payment to promote permanency for children.

(4) The department shall report during the annual budget presentation to the senate and house appropriations subcommittees on the department budget the number of guardianship subsidies and recommendations for any modifications in the subsidized guardianship program.

Sec. 571. The department shall maintain a title IV-E compliance and accountability office with the following goals and responsibilities:

(a) Study efforts in other states to determine best practices for title IV-E-related activities and measures to maximize the receipt of federal money for eligible cases.

(b) Coordinate compliance with federal regulations in order to receive title IV-E money.

(c) Provide necessary technical assistance to local units of government, including courts, to ensure proper handling of cases and paperwork in preparation for federal audits and reviews.

(d) Coordinate a program to provide private persons, groups, and corporations with incentives to make tax-deductible contributions intended to assist foster care families to overcome barriers to becoming licensed and eligible to receive title IV-E money.

(e) As part of the quarterly reports required by section 582, provide information to the house and senate appropriations subcommittees on the department budget on activities and progress toward meeting the responsibilities outlined above.

Sec. 573. From the money appropriated in part 1 for adoption support services, \$1,049,400.00 is allocated to support adoption contracts focusing on long-term permanent wards who have been wards for more than 1 year after termination of parental rights. Private agencies shall receive \$16,000.00 for each finalized placement under the program.

Sec. 574. (1) From the money appropriated in part 1 for foster care payments – abuse and neglect, \$2,500,000.00 is allocated to support contracts with child placing agencies to facilitate the licensure of relative caregivers as foster parents.



Agencies shall receive \$2,300.00 for each facilitated licensure. The agency facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.

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

Sec. 575. (1) Of the funds provided for the training of human services workers, particularly caseworkers, the department shall use appropriated funds to begin cultural sensitivity training and awareness with the goal of effectively reducing the number of minority children inappropriately removed from their homes for neglect and placed in the foster care system when more appropriate action would include the provision of support services to the family.

(2) Of the money appropriated to the department for family preservation and prevention, more specific focus shall be placed on preserving and reunifying families.

(3) As a condition for receiving appropriated money, the department and the office of the friend of the court shall work in cooperation to provide support services to families of custodial parents who have been awarded child support from a parent who is incarcerated.

(4) As part of the quarterly reports required by section 582, the department shall provide a report to the house and senate appropriations subcommittees with jurisdiction over the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the specific cultural sensitivity training and awareness efforts, family preservation and reunification efforts.

Sec. 577. From the money appropriated in part 1, the department may allow a community collaborative to use strong families safe children program funds for a prevention program that meets standards agreed upon between the community collaborative and county department offices in accordance with federal regulations regarding expenditure of strong families safe children program funds.

Sec. 579. From the money appropriated in part 1 for youth in transition, \$250,000.00 shall be allotted to Wayne County to support services provided to eligible delinquent state wards, for whom the department is statutorily responsible, to the county's juvenile services system.

Sec. 580. The department and the department of community health shall initiate efforts to identify mental health programs and activities where the services of the 2 departments overlap, or are uncoordinated. The goal shall be to provide adequate and stable mental health services which address the need of the individual child without duplicative, confusing, or needlessly complex services. The department shall report on these coordination efforts with the department of community health during the annual budget presentations to the senate and house appropriations subcommittees with jurisdiction over the department budget.

Sec. 582. On the last working day of January, April, July, and November, for the preceding fiscal quarter, the department shall submit a comprehensive child welfare improvement report, compiling material required by each section of this act related to child welfare. This report will be provided to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director and will provide an overview of the status of all initiatives the department is required to carry out by this appropriation act and the impact of those initiatives on meeting the benchmarks established in the federal child and family service review process. The report may include information about other initiatives of the department and its service delivery partners which support improvements in safety, permanency, and well-being for the children and families served by Michigan's child welfare system.

Sec. 583. (1) The appropriation in part 1 for the child care fund in-home care incentive program shall be used to encourage counties to increase the number of children in the child welfare and juvenile justice systems receiving in-home care services as opposed to out-of-home placements. Funds shall cover the costs of in-home care services that are eligible for temporary assistance for needy families funding. To receive reimbursement under the program, a county shall document that expenditures for in-home care services for the fiscal year ending September 30, 2009 exceeded those of the prior year. Each county shall receive reimbursement from the department in an amount equal to 75% of the documented increase in in-home care expenditures. However, if the amount of eligible expenditures claimed by all counties exceeds the appropriation in part 1, each county will receive a prorated share of its documented increase in in-home care expenditures. Each county shall provide for the remaining 25% of costs from its child care fund.

(2) To participate in the child care fund in-home care incentive program, a county shall submit to the department by December 15 of each year, in a manner determined by the department, a report outlining its proposed budget for the incentive program for the current fiscal year and an overview of measures to be used to monitor outcomes for youth receiving services under the program. The department must approve a final report by the following February 15 for the county to be eligible for program reimbursement.

Sec. 584. From the money appropriated in part 1 for adoption subsidies, the department shall provide \$410,000.00 for a 4.0% rate increase for specialized services provided in residential foster facilities.

**PUBLIC ASSISTANCE**

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

(2) 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.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by the department or by an energy provider participating in an agreement with the department when the landlord's property has been identified as needing services.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) The department shall review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

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 which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse 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 abuse treatment center.

(d) A person receiving 30-day postresidential substance abuse 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 as defined in subdivision (a), (b), (e), or (f) above.

(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 to applicants 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.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in 8 USC 1612 and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance 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. 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 shall include all related net recoveries received during the current fiscal year.

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 provided that 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 fiscal year beginning October 1, 2008 and ending September 30, 2009. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

Sec. 610. 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.

Sec. 611. A provider of indigent burial services may collect additional payment from relatives or other persons on behalf of the deceased if the total additional payment does not exceed \$4,000.00.

Sec. 612. 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.

Sec. 613. (1) From the money appropriated in part 1 for indigent burial, the maximum allowable reimbursement limit for indigent burials shall be \$909.00, which shall be distributed as follows: \$579.00 for funeral directors, \$192.00 for cemeteries or crematoriums, and \$138.00 for the provider of the vault.

(2) The department shall continue to work with funeral directors to establish a regional or statewide pilot program that allows flexibility in payments from the family of the deceased and other resources to provide options for different funeral arrangements and payment. The department may deviate from the payment limits established in subsection (1) and section 611 in making payments under the pilot program. The department shall forward a copy of the pilot program plan to the senate and house of representatives appropriations subcommittees with jurisdiction over the department budget not less than 30 days before it is implemented.

Sec. 614. The funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

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. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. The department may only reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of the following situations:

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.
- (g) The only eligible recipient in the household has been incarcerated.
- (h) A recipient is no longer a Michigan resident.
- (i) A recipient is closed on 1 case to be activated on another.
- (j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.
- (k) A recipient is disqualified for intentional program violation.
- (l) When the department's negative action is upheld in an administrative hearing.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in 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, provided that 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.

Sec. 620. The department with the approval of the state budget director is authorized to increase federal spending authority for food assistance program benefits if projected caseload spending will exceed the spending authority in part 1. This authorization adjustment shall be made 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies.

Sec. 621. Funds appropriated in part 1 may be used to support multicultural assimilation and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 627. From the funds appropriated in part 1 for the ECIC, the department shall contract for the creation and support of great start communities. Great start collaborative grants will be awarded by competitive bid process to eligible intermediate districts in an amount to be determined by the ECIC. The ECIC shall provide technical assistance to great start communities through intermediate school districts or other community agencies for the implementation of their great start community needs assessment and strategic plan.

Sec. 631. The department shall maintain policies and procedures to achieve all of the following:

- (a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.
- (b) Referral of persons so identified to counseling and supportive services.
- (c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 635. Within 24 hours of receiving all information necessary to process an application for payments for child day care, the department shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the department shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. (1) From the funds appropriated in part 1 for day care services, the department may continue to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

(2) The use of the funds under this section should not be considered an ongoing commitment of funding.

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 which 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. 657. (1) The department shall fund a statewide before- or after-school program to provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before- or after-school program eligibility is limited to geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and that include the before- or after-school programs in the AYP plans as a means to improve outcomes. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

(2) The department shall work in collaboration with independent contractors to put into practice a program establishing quality before- or after-school programs for children in kindergarten to ninth grades. In order for an independent contractor to receive TANF funds, a child served must be a member of a family with an income that does not exceed 200% of the federal poverty guidelines published by the United States department of health and human services.

(3) The department shall, through a competitive bid process, provide grants or contracts up to \$5,000,000.00 in TANF funds for the program based on community needs. A county shall receive no more than 20% of the funds appropriated in part 1 for this program. From the funds appropriated in part 1 for before- or after-school programs within day care services, the department is authorized to make allocations of funds only to the agencies that report necessary data to the department for the purpose of meeting TANF and maintenance of effort eligibility reporting requirements. The use of funds under this section should not be considered an ongoing commitment of funding.

(4) The before- or after-school programs shall include academic assistance, including assistance with reading and writing, and at least 3 of the following topics:

- (a) Abstinence-based pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Preparation toward future self-sufficiency.
- (e) Leadership development.
- (f) Case management or mentoring.
- (g) Parental involvement.
- (h) Anger management.

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 25% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, and/or through in-kind or other donations.

(6) A referral to a program may be made by, but is not limited to, any of the following: a teacher, counselor, parent, police officer, judge, or social worker.

Sec. 658. From the funds appropriated in part 1 for day care services, \$126,500.00 in TANF funds shall be allocated to Grand Rapids youth commonwealth to support after-school and summer programs at camp O'Malley. As a condition for receiving funds, Grand Rapids youth commonwealth shall comply with all policies and reporting requirements placed on recipients of before- and after-school grants awarded under section 657.

Sec. 659. The department may provide staff support to the Kent school services network to assist in addressing the multiple needs of children and families at community schools. The department may also participate in the expansion of this program in Kent County as well as other areas of the state that may use the Kent school services network program as a model.

Sec. 660. From the funds appropriated in part 1 for food bank funding, 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. 665. The department shall partner with the department of transportation and may partner with other entities to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. This partnership shall place a priority on transportation needs for employment or seeking employment or medical or health-related transportation.

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal earned income tax credit.

Sec. 668. (1) In coordination with the Michigan alliance of boys and girls clubs, the department shall expend \$250,000.00 to make allocations for a statewide collaborative project to develop a community-based program available to children ages 6 to 15.

(2) The department shall make allocations of TANF funds under this section only to agencies that report necessary data to the department for the purpose of meeting the TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment.

(3) The department shall grant priority in funding to programs that provide at least 10% in matching funds. The matching funds requirement shall be fulfilled through any combination of local, state, or federal funds or in-kind or other donations. A program that cannot meet the matching requirement shall not be excluded from applying for a contract.

Sec. 669. (1) The department shall distribute cash and food assistance to recipients electronically by using debit or purchasing cards.

(2) The department shall allocate up to \$12,751,000.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

(3) The department shall take steps to inform family independence program recipients eligible for the allowance under subsection (2) that the money is to be used for clothing for eligible children.

Sec. 673. The department shall immediately send notification to a client participating in the state child day care program and his or her child day care provider if the client's eligibility is reduced or eliminated.

Sec. 674. The department shall develop and implement a plan to reduce waste, fraud, and abuse within the child day care program. Beginning December 31, 2008, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on plan details and implementation status.

Sec. 675. The department shall continue to explore policy options and the potential costs of implementing a child day care rate structure that more accurately reflects the market cost of care by vicinity.

Sec. 676. (1) The department shall collaborate with the state board of education to extend the duration of the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 shall be used to support the Michigan after-school partnership and to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the senate and house committees on appropriations, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a monthly 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 current percentage of FIP cases involved in employment activities and the current percentage of JET pilot program cases involved in employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Sec. 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the early childhood investment corporation (ECIC). The report is due by February 1 of each year and shall contain at least the following information:

- (a) Detail of the amounts of grants awarded.
- (b) The grant recipients.
- (c) The activities funded by each grant.
- (d) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All ECIC contracts for comprehensive systems planning shall be bid out through a statewide request-for-proposal process.

Sec. 679. From the funds appropriated in part 1 to day care training, technology and oversight, the department shall allocate \$2,496,700.00 to contract with a private entity or develop internal processes to increase the accuracy of payments made through the child care program. This improvement in payment accuracy may be achieved through changes in information technology or through increased management and oversight of the child care program.

Sec. 681. The department shall work in collaboration with grocers, distributors, and merchants on effective education of food assistance recipients to ensure adequate notice of changes in the food assistance benefits distribution. The department shall update the senate and house appropriations subcommittees on the department budget and standing committees for human services on the progress and issues raised by this change in distribution.

Sec. 682. 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 staffs regarding the JET program savings for the fiscal year ending September 30, 2008 and the details on the proposed use of that money.

Sec. 683. (1) From the funds appropriated in part 1 for SSI advocacy, \$1,275,000.00 shall be paid to the Michigan state bar foundation for SSI advocacy services provided by the legal services association of Michigan. A payment of \$400.00 shall be made for each case referred to the legal services association of Michigan, with a final payment of \$250.00 on case completion.

(2) The department shall not provide payment to the legal services association of Michigan for assisting a recipient to submit a frivolous appeal or application or for assisting a recipient who has submitted multiple applications that have been denied regarding the same disability, unless the legal services association of Michigan determines that there is a valid reason to pursue an appeal.

Sec. 685. (1) Not later than March 1, 2009, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house appropriations subcommittees with jurisdiction over the department of community health budget, on the number of recipients that applied for Medicaid coverage, the number of recipients that were approved for Medicaid coverage, and the number of recipients that were denied Medicaid coverage. The report shall describe these statistics for the fiscal year ending September 30, 2009 and summarize department programs to assist persons in applying for Medicaid.

(2) Not later than March 1, 2009, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house subcommittees with jurisdiction over the department of community health budget, on the number of applicants for home help services. The department shall give a summary report on the number of approved applications, denied applications, pending applications, and the number of applications in which the applicant was eligible for nursing home services.

Sec. 687. The department shall convene a work group, including representatives from the child care licensing division, the department of education, the Michigan food policy council, and advocates for low-income families, to identify barriers impeding greater participation in the child and adult care food program for at-risk school children. The work group shall identify strategies used by other states to address these barriers, and propose a plan for maximizing the use of these federal funds. The work group's recommendations and plan shall be submitted 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 director by January 15, 2009.

Sec. 688. The department in conjunction with Michigan works! shall examine and report on the incidence of reported barriers among families terminated from the family independence program because of noncompliance with work-related requirements. The report shall be submitted 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 director by April 1, 2009.

Sec. 690. Child care centers, child care group homes, and child care family homes that are licensed or registered with the department may report to the department on a quarterly basis on the number of vacancies they have with regard to children in their care. Vacancy information may be reported more frequently to the department on a voluntary basis.

Sec. 691. The department may choose not to distribute public assistance or subsidies to the parent or parents of school-age children if that parent or those parents have not signed a parent, student, teacher compact outlining the role of each party in the educational success of the student as required by the federal no child left behind act of 2001, Public Law 107-110.

Sec. 693. (1) From the money appropriated in part 1, the department shall provide \$1,778,300.00 to Michigan works! agencies for incentive payments to family independence program recipients who meet certain employment benchmarks. Fifty dollars shall be provided to each family independence program recipient who verifies employment activity, as defined by federal regulations, for a period of 3 successive calendar months. A recipient is eligible to receive this benefit amount up to 4 times per year. A recipient is not eligible to receive this benefit if he or she receives a sanction from the department.

(2) A recipient who is eligible for the benefit in subsection (1) may also elect to receive an additional \$25.00 to be placed in an individual development account on his or her behalf by the department.

#### **JUVENILE JUSTICE SERVICES**

Sec. 702. Expansion of facilities funded under part 1 for juvenile justice services shall not be authorized by the joint capital outlay subcommittee of the appropriations committees until the department has held a public hearing in the community where the facility proposed to be expanded is located.

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs based on national standards and best practices. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Admission and release data and other information related to demographics of population served.
- (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
- (c) Program outcomes including recidivism rates for youth served by the facility.
- (d) Trends in census and population demographics.
- (e) Staff and resident safety.
- (f) Facility profile.
- (g) Fiscal information necessary for qualitative understanding of program operations and comparative costs of public and private facilities.

(2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:

- (a) Actual cost and actual days of care by facility for the most recently completed fiscal year.
- (b) Actual cost per day per youth by facility for the most recently completed fiscal year.
- (c) An analysis of the variance between the estimated cost and days of care assumed in the original appropriation and the figures in subdivisions (a) and (b).
- (d) Both the number of authorized FTE positions for each facility and the number of actual on-board FTE positions for the most recently completed fiscal year.

Sec. 706. Counties shall be subject to 50% charge-back 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. As a condition of receiving money appropriated in part 1 for the child care fund line item, by February 15, 2009, counties shall have an approved service spending plan for the fiscal year ending September 30, 2009. Counties must submit the service spending plan to the department by December 15, 2008 for approval.

Sec. 714. (1) The department shall provide technical assistance for counties to develop information networks including, but not limited to, serious habitual offenders comprehensive action program (SHOCAP), juvenile justice on-line technology (JJOLT), and juvenile violent reporting system (JVRS).

(2) The department shall assist counties in identifying funding sources for the networks, including, but not limited to, the child care fund and the juvenile accountability incentive block grant.

(3) The local units of government shall report to the department on expenditures of their juvenile justice information networks in concert with their requests for reimbursement from the child care fund.

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

Sec. 720. (1) The department shall implement the recommendations on a methodology for measuring goals, objectives, and performance standards developed in conjunction with private providers of juvenile justice residential programs required in section 705 of 2004 PA 344.

(2) The department shall allocate money to public and private providers of juvenile justice services based on their ability to demonstrate results in all of the following:

- (a) Lower recidivism rates.
- (b) Higher school completion rates or GED completion rates.
- (c) Shorter average stays in a residential facility.
- (d) Lower average actual cost per resident.
- (e) Availability of appropriate services to residents.

(3) The department shall comply with section 115o of the social welfare act, 1939 PA 280, MCL 400.115o, regarding placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for secure residential programs.

Sec. 721. The department shall report to the house and senate appropriations subcommittees on the department budget by October 1, 2008 on the transfer of medium security services equivalent to 80 beds at the W.J. Maxey boys training school and shall report on the placement of juvenile offenders who need those services in community-based or privately operated facilities.

Sec. 723. A private provider of juvenile services may receive funding for services of different security levels if the provider has appropriate services for each security level and adequate measures to physically separate residents of each security level.

Sec. 726. (1) Beginning October 1, 2007, from the money appropriated in part 1 for foster care payments and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth, or with a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, unless the provider was licensed on or before August 1, 2007 and, if the provider is a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, the contract between the provider and the for-profit group or organization existed prior to August 1, 2007.

(2) A provider shall not receive a daily rate below \$130.00.

Sec. 728. It is the intent of the legislature that the department and the department of corrections examine the potential of entering into an intergovernmental agreement to place 140 children in the west wing of the Woodland center and in the Sequoyah center on the campus of the W.J. Maxey training school. The facilities shall be used to house children currently committed to the department of corrections.

Sec. 730. The department shall review and may adjust daily per diem rates to private providers of juvenile justice services in recognition of added complex services.

Sec. 731. The department shall conduct a review of the security level structure currently used to classify youth served within the juvenile justice system and shall make recommendations for changes to the current structure to ensure that all youth in the system are provided services in the most appropriate setting for their needs. The department shall report 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 director by March 1, 2009 on the findings of this review. The report



shall also include information on the capacity of public juvenile justice facilities and of private residential providers of juvenile justice services at each new security level as compared to the number of youth needing services at each new security level.

#### **LOCAL OFFICE SERVICES**

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations and hospitals.

Sec. 751. (1) From the funds appropriated in part 1, the department shall implement school-based family resource centers based on the following guidelines:

(a) The center is supported by the local school district.

(b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

(c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.

(2) The department shall notify the senate and house subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office of family resource center expansion efforts and shall provide all of the following at the beginning of the selection process or no later than 5 days after eligible schools receive opportunity notification:

(a) A list of eligible schools.

(b) The selection criteria to be used.

(c) The projected number to be opened.

(d) The financial implications for expansion, including funding sources.

Sec. 752. If sufficient funding becomes available from local sources, the department shall support the operation of 2 additional family resource centers in Genesee County and 1 additional family resource center in Ingham County.

Sec. 753. The department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1, 2008 on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including timelines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 754. The department shall allow private nationally accredited foster care and adoption agencies to conduct their own staff training, based on current department policies and procedures, provided that the agency trainer and training materials are accredited by the department, and that the agency documents to the department that the training was provided. The department shall provide access to any training materials requested by the private agencies to facilitate this training.

Sec. 755. From the money appropriated in part 1, \$8,154,100.00 shall continue to support up to 200 FTE title IV-E eligibility specialist positions. Employees filling these positions shall be assigned to local county offices and shall serve as specialists in determining title IV-E eligibility for child welfare cases with the goal of increasing the number of title IV-E eligible cases statewide. These positions shall be classified as services specialists within the state classified civil service system.

#### **DISABILITY DETERMINATION SERVICES**

Sec. 801. The department disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and make recommendations for medical disability retirement for state employees, state police, judges, and schoolteachers.

#### **CHILD SUPPORT ENFORCEMENT**

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

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

(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 the code of federal regulations, CFR 45.305.2.

(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.

(7) From the state funds appropriated in part 1 for child support enforcement, not less than \$9,570,000.00 shall be paid to counties for use as the local/state match for federal title IV-D services provided by the friend of the court and prosecuting attorney. The money is to be used to offset the net effect of the federal deficit reduction act that prohibits the use of federal performance incentive funds paid to the state as local/state match funds.

Sec. 902. (1) The department shall continue its work to fix and improve the child support computer system using the funding carried forward from prior fiscal years.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) The department, through the child support leadership group, shall provide semiannual reports to the legislature concerning money expended and improvements made as a result of this section.

Sec. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1, 2005. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

Sec. 904. The department is prohibited from charging back to the counties any of the fees paid that are charged by the internal revenue service or the department of treasury related to the tax intercept and offset programs. The state share of those fees shall be paid from money otherwise provided for office of child support programs.

Sec. 905. Of the funds appropriated in part 1 for child support collections, \$500,000.00 shall be allocated to counties for the local match for friend of the court services legal support contracts and to payments to county prosecutors for related legal services.

Sec. 906. From the funds appropriated in part 1 for legal support contracts, \$500,000.00 shall be allocated and paid pursuant to section 18a of the social welfare act, 1939 PA 280, MCL 400.18a.

Sec. 907. The office of child support in cooperation with the state court administrative office shall establish a pilot program to examine the effectiveness of contracting with a public or private collection agency as authorized under section 10 of the office of child support act, 1971 PA 174, MCL 400.240. The pilot program shall be implemented during fiscal year 2008-2009. Any restricted revenue collected pursuant to this section shall not be expended until the department and representatives from counties and the friends of the court meet and agree upon recommendations for use of the revenue. The revenue is subject to appropriation by the legislature.

Sec. 908. From the money appropriated in part 1 for child support enforcement operations, \$500,000.00 shall be expended on a contract aimed at collecting child support arrearages. Cases shall be assigned to a contractor with the goal that at least 15% of collected arrearages be owed to this state on behalf of current or former TANF recipients. The contractor shall be allowed to retain up to 15% of arrearages collected as a fee for services. By September 30, 2009, the department shall 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 on the following contract results:

- (a) Number of cases assigned to the contractor.
- (b) Number of cases in which the contractor successfully collected on arrearages.
- (c) Total arrearages collected.
- (d) Total arrearages collected that were owed to this state as reimbursement for public assistance.
- (e) Total amount retained by the contractor.

Sec. 909. In addition to the funds appropriated in part 1 for state retained child support collections, 75% of the amount that each county's collections exceed the amount the county collected in fiscal year 2005 is appropriated for distribution to that county for use in the IV-D program. This distribution shall occur only if the total state retained child support collections exceed the statewide amount collected in fiscal year 2005. The funds distributed to counties pursuant to this section shall be used to supplement and not supplant county IV-D funding. Counties participating in projects pursuant to section 902 will receive 75% of qualifying collections reduced by the amount paid to the vendor. This authorization adjustment shall be made upon notification of the chairs of the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director.

Sec. 910. 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.

Sec. 911. (1) The department will implement a \$25.00 annual fee pursuant to title IV-D, 42 USC 654(6)(B). The fee shall be deducted from support collected on behalf of the individual. Fee revenues shall be used to administer and operate the child support program under title IV-D.

(2) The department shall provide the chairs of the senate and house appropriations committees with model legislation authorizing the fee referred to in subsection (1) by December 31, 2008.

**OFFICE OF CHILDREN AND ADULT LICENSING**

Sec. 1005. The department shall implement a performance-based licensing model that will assure compliance with department policy and statutory mandates. This model will prioritize licensing activities based on risk to the vulnerable children and adults residing in or receiving services from licensees.

Sec. 1006. The department shall assess fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 1007. The department shall furnish the clerk of the house, the secretary of the senate, the senate and house fiscal agencies and policy offices, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the department, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

**COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

Sec. 1101. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 1102. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2008, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Sec. 1103. The appropriation in part 1 for the weatherization program shall be expended so that at least 25% of the households weatherized under the program shall be households of families receiving 1 or more of the following:

- (a) Family independence program assistance.
- (b) State disability assistance.
- (c) Food assistance.
- (d) Supplemental security income.

Sec. 1104. (1) Of the funds appropriated in part 1 for community services block grants, \$2,350,000.00 represents TANF funding earmarked for community action agencies.

(2) In addition to the money referred to in subsection (1), the department shall award up to \$500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

(3) In addition to the money referred to in subsection (1), the department shall award up to \$250,000.00 in competitive grants to organizations that seek to provide programs combining education on the EITC with programs building skills for strong marriages, fatherhood, or parenting.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Dudley Spade  
George Cushingberry, Jr.  
Rick Shaffer  
Conferees for the House

Bill Hardiman  
Roger Kahn  
Martha G. Scott  
Conferees for the Senate

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsy moved that the rule be suspended.

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

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. 485****Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0****Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Cropsey moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

By unanimous consent the Senate returned to the order of  
**Messages from the House**

**Senate Bill No. 1093, entitled**

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

(For Conference Report, see p. 1343.)

The House of Representatives has adopted the report of the Committee of Conference.

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

**Senate Bill No. 1096, entitled**

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agency.

(For Conference Report, see p. 1350.)

The House of Representatives has adopted the report of the Committee of Conference.

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

**Senate Bill No. 1099, entitled**

A bill to make appropriations for certain state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2009; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

(For Conference Report, see p. 1359.)

The House of Representatives has adopted the report of the Committee of Conference.

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

By unanimous consent the Senate returned to consideration of the following bill:

**Senate Bill No. 218, entitled**

A bill to amend 1974 PA 198, entitled “An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,” by amending section 9 (MCL 207.559), as amended by 2007 PA 146.

(This bill was returned from the House with a substitute earlier today, rules suspended and consideration postponed. See p. 1326.)

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. 486**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Cropsey moved to reconsider the vote by which the House substitute was concurred in.

The question being on the motion to reconsider,

Senator Cropsey moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

**Senate Bill No. 294, entitled**

A bill to amend 2005 PA 210, entitled “Commercial rehabilitation act,” by amending section 2 (MCL 207.842), as amended by 2006 PA 554.

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 2005 PA 210, entitled “An act to provide for the establishment of commercial rehabilitation districts in certain local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax

upon the owners of certain qualified facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of certain local governmental officials; and to provide penalties," by amending sections 2 and 8 (MCL 207.842 and 207.848), section 2 as amended by 2008 PA 118.

Pending the order that, under rule 3.202, the bill be laid over one day,  
Senator Cropsey 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. 487**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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 as amended.

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

Senators Basham, Birkholz, Brater, Brown, Cherry, Clark-Coleman, Clarke, Cropsey, Garcia, Gilbert, Gleason, Hunter, Jacobs, Jelinek, Kuipers, McManus, Pappageorge, Prusi, Stamas and Switalski were named co-sponsors of the bill.

**Senate Bill No. 658, entitled**

A bill to amend 1943 PA 20, entitled "An act relative to the investment of funds of public corporations of the state; and to validate certain investments," (MCL 129.91 to 129.96) by adding section 7.

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

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

**Senate Bill No. 970, entitled**

A bill to amend 1975 PA 197, entitled “An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials,” by amending sections 1 and 7 (MCL 125.1651 and 125.1657), section 1 as amended by 2006 PA 659 and section 7 as amended by 2005 PA 115.

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 1975 PA 197, entitled “An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials,” by amending section 1 (MCL 125.1651), as amended by 2008 PA 35.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Cropsey 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. 488**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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 as amended.

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

**Senate Bill No. 972, entitled**

A bill to amend 1975 PA 197, entitled "An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials," by amending section 7 (MCL 125.1657), as amended by 2005 PA 115.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1) and ordered that it be given immediate effect.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Cropsey 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. 489**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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

**Senate Bill No. 974, entitled**

A bill to amend 1978 PA 255, entitled "Commercial redevelopment act," by amending sections 3, 4, 12, and 18 (MCL 207.653, 207.654, 207.662, and 207.668), section 3 as amended by 1980 PA 407, section 12 as amended by 1998 PA 243, and section 18 as amended by 1984 PA 342, and by adding section 12a.

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.

**Senate Bill No. 976, entitled**

A bill to amend 1992 PA 147, entitled "Neighborhood enterprise zone act," by amending section 2 (MCL 207.772), as amended by 2006 PA 661.

The House of Representatives has amended the bill as follows:

1. Amend page 2, line 11, after "1968" by inserting "**OTHER THAN AN EXISTING STRUCTURE FOR WHICH A CERTIFICATE WILL OR HAS BEEN ISSUED AFTER DECEMBER 31, 2006 IN A CITY WITH A POPULATION OF 750,000 OR MORE, IS LOCATED WITHIN A SUBDIVISION PLATTED PURSUANT TO STATE LAW BEFORE JANUARY 1, 1968**".

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

Pending the order that, under rule 3.202, the bill be laid over one day,  
Senator Cropsey moved that the rule be suspended.

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

The question being on concurring in the amendment made to the bill by the House,

The amendment was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 490**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was not concurred in, 2/3 of the members serving not voting therefor.  
Senator Cropsey moved that the bill be given immediate effect.  
The motion did not prevail, 2/3 of the members serving not voting therefor.  
Senator Cropsey requested the yeas and nays.  
The yeas and nays were ordered, 1/5 of the members present voting therefor.  
The motion prevailed, 2/3 of the members serving voting therefor, as follows:

**Roll Call No. 491****Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0****Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

The Senate agreed to the full title.

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

**Senate Bill No. 978, entitled**

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 1907 (MCL 324.1907), as added by 1995 PA 60.

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.

**Senate Bill No. 980, entitled**

A bill to amend 1893 PA 206, entitled “The general property tax act,” by amending section 9f (MCL 211.9f), as amended by 2007 PA 116.

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.

**Senate Bill No. 1206, entitled**

A bill to amend 1996 PA 376, entitled “Michigan renaissance zone act,” by amending sections 6 and 10 (MCL 125.2686 and 125.2690), section 6 as amended by 2006 PA 304 and section 10 as amended by 2008 PA 117.

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

**Motions and Communications**

Senator Cropsey moved that the Committee on Economic Development and Regulatory Reform be discharged from further consideration of the following bill:

**House Bill No. 5559, entitled**

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 2418 and 2618 (MCL 500.2418 and 500.2618), section 2418 as amended by 1993 PA 200.

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

Senator Cropsey 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. 6208**

**Senate Bill No. 1358**

**Senate Bill No. 1114**

**Senate Bill No. 720**

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

Senator Cropsey moved that the rules be suspended and that the following bill, now on the order of General Orders, be placed on the General Orders calendar for consideration today:

**House Bill No. 5559**

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

By unanimous consent the Senate returned to the order of

**General Orders**

Senator Cropsey 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 Cherry, designated Senator Basham as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**House Bill No. 5893, entitled**

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending sections 201 and 203 (MCL 208.1201 and 208.1203), section 201 as amended by 2007 PA 145.

**House Bill No. 5151, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 53 (MCL 208.53).

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. 6208, entitled**

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending section 88d (MCL 125.2088d), as amended by 2008 PA 80.

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. 4854, entitled**

A bill to amend 1965 PA 314, entitled "Public employee retirement system investment act," (MCL 38.1132 to 38.1140m) by adding section 13c.

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:  
**House Bill No. 4903, entitled**

A bill to amend 1965 PA 314, entitled "Public employee retirement system investment act," (MCL 38.1132 to 38.1140m) by adding section 13c.

Substitute (S-3).

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

1. Amend page 6, line 18, after "**OPERATIONS,**" by inserting "**NOT LATER THAN 60 DAYS AFTER THE IDENTIFICATION OF THE COMPANY,**".

2. Amend page 6, line 25, after "**OPERATIONS,**" by inserting "**NOT LATER THAN 60 DAYS AFTER THE COMPANY IS NEWLY IDENTIFIED,**".

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. 4323, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 81115, 81129, 81131, 81133, and 81147 (MCL 324.81115, 324.81129, 324.81131, 324.81133, and 324.81147), sections 81115 and 81129 as amended by 2003 PA 111, section 81131 as added by 1995 PA 58, section 81133 as amended by 1998 PA 86, and section 81147 as amended by 2004 PA 587.

Substitute (S-3).

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

1. Amend page 2, line 2, after "ice," by striking out "marsh, swampland,".

2. Amend page 9, line 19, after "**STREET,**" by inserting "**UNLESS THE PERSON POSSESSES A LICENSE AS DEFINED IN SECTION 25 OF THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL 257.25, A PERSON SHALL NOT OPERATE AN ORV PURSUANT TO SUBSECTION (2), (3), OR (5) IF THE ORV IS REGISTERED AS A MOTOR VEHICLE UNDER CHAPTER II OF THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL 257.201 TO 257.259, AND EITHER IS MORE THAN 60 INCHES WIDE OR HAS 3 WHEELS.**".

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. 5559, entitled**

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 2418 and 2618 (MCL 500.2418 and 500.2618), section 2418 as amended by 1993 PA 200.

Substitute (S-1).

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

1. Amend page 6, following line 19, by inserting:

"Enacting section 1. This amendatory act does not take effect unless House Bill No. 4323 of the 94th Legislature is enacted into law."

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:  
**Senate Bill No. 1358, entitled**

A bill to regulate the purchase and sale of certain nonferrous metals; to provide for certain disclosures by certain persons regarding certain transactions; to require the creation of certain records for certain purposes and for the use of certain databases by certain persons; and to provide for penalties and 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. 1114, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 356 (MCL 750.356), as amended by 1998 PA 311.

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:  
**Senate Bill No. 720, entitled**

A bill to amend 1917 PA 350, entitled "An act to regulate and license second hand dealers and junk dealers; and to prescribe penalties for the violation of the provisions of this act," by amending sections 1, 2, 4, 5, 7, and 8 (MCL 445.401, 445.402, 445.404, 445.405, 445.407, and 445.408), sections 1, 2, 4, 5, and 8 as amended by 2006 PA 675.

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.

By unanimous consent the Senate returned to the order of

**Third Reading of Bills**

Senator Cropsey 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:

**House Bill No. 5638**

**House Bill No. 4854**

**House Bill No. 4903**

**House Bill No. 5151**

**House Bill No. 4323**

**House Bill No. 5893**

**House Bill No. 5559**

**Senate Bill No. 1358**

**Senate Bill No. 1114**

**Senate Bill No. 720**

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

Senator Cropsey moved that the following bills be placed at the head of the Third Reading of Bills calendar:

**Senate Bill No. 1370**

**House Bill No. 5638**

**House Bill No. 4854**

**House Bill No. 4903**

**House Bill No. 5151**

**House Bill No. 5559**

**House Bill No. 4323**

**House Bill No. 5893**

**House Bill No. 5681**

**Senate Bill No. 1358**

**Senate Bill No. 1114**

**Senate Bill No. 720**

The motion prevailed.

The following bill was announced:

**Senate Bill No. 1370, entitled**

A bill to amend 1972 PA 106, entitled "Highway advertising act of 1972," by amending sections 2, 7, 7a, 11a, 17, and 21 (MCL 252.302, 252.307, 252.307a, 252.311a, 252.317, and 252.321), sections 2, 7, and 17 as amended and section 11a as added by 2006 PA 448 and section 7a as added by 2006 PA 447.

(This bill was read a third time earlier today, amendment offered and consideration postponed. See p. 1340.)

The question being on the adoption of the amendment offered by Senator Hunter,

Senator Hunter withdrew the amendment.

Senator Hunter offered the following amendment:

1. Amend page 24, following line 5, by inserting:

“Sec. 18. The following signs or sign structures are prohibited:

(a) Those which purport to regulate, warn, or direct the movement of traffic or which interfere with, imitate, or resemble any official traffic sign, signal, or device.

(b) Those which are not adequately maintained and in a good state of repair.

(c) Those which are erected or maintained upon trees or painted or drawn upon rocks or other natural resources.

(d) Those which prevent the driver of a motor vehicle from having a clear and unobstructed view of approaching, intersecting, or merging traffic.

(e) Those which are abandoned.

(f) Those that involve motion or rotation of any part of the structure, running animation or displays, or flashing or moving lights. This subdivision does not apply to a sign or sign structure with static messages or images that change if the rate of change between 2 static messages or images does not exceed more than 1 change per 6 seconds, each change is complete in 1 second or less, and the maximum daylight sign luminance level does not exceed 62,000 candelas per meter squared at 40,000 lux illumination beginning 1/2 hour after sunrise and continuing until 1/2 hour before sunset and does not exceed 375 candelas per meter squared at 4 lux illumination at all other times. In addition to the above requirements, signs exempted under this subdivision shall be configured to default to a static display in the event of mechanical failure.

(g) Signs found to be in violation of subdivision (f) shall be brought into compliance by the permit holder or its agent no later than 24 hours after receipt by the permit holder or its agent of an official written notice from the department. Failure to comply with this subdivision within this specified time frame shall result in a \$100.00 penalty being assessed to the sign owner for each day the sign remains out of compliance. The first repeat violation of subdivision (f), for a specific sign, shall also be brought into compliance by the permit holder or its agent within 24 hours after receipt of an official written notice from the department. Failure to comply with the official written notice within the 24-hour period for the first repeat violation subjects the sign owner to a \$1,000.00 penalty for each day the sign remains out of compliance. These penalties are required to be submitted to the department before the sign’s permit is renewed under section 6. Second repeat violations of subdivision (f), for a specific sign, shall result in permanent removal of the variable message display device from that sign by the department or the sign owner.

**(H) THOSE THAT VIOLATE COMMUNITY STANDARDS OF DECENCY.**

**(I) FOR A SEXUALLY-ORIENTED BUSINESS, ALL SIGN AND SIGN STRUCTURES, EXCEPT 2 EXTERIOR SIGNS, CONSISTING OF 1 IDENTIFICATION SIGN AND 1 SIGN GIVING NOTICE THAT THE PREMISES ARE OFF LIMITS TO MINORS.”.**

The amendment was adopted, a majority of the members serving voting therefor.

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. 492**

**Yeas—30**

Allen	Garcia	Jelinek	Richardville
Barcia	George	Kahn	Sanborn
Birkholz	Gilbert	Kuipers	Schauer
Bishop	Gleason	McManus	Stamas
Brown	Hardiman	Olshove	Switalski
Cassis	Hunter	Patterson	Thomas
Clarke	Jacobs	Prusi	Van Woerkom
Cropsey	Jansen		

**Nays—7**

Anderson	Brater	Clark-Coleman	Scott
Basham	Cherry	Pappageorge	

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Hunter offered to amend the title to read as follows:

A bill to amend 1972 PA 106, entitled “Highway advertising act of 1972,” by amending sections 2, 7, 7a, 11a, 17, 18, and 21 (MCL 252.302, 252.307, 252.307a, 252.311a, 252.317, 252.318, and 252.321), sections 2, 7, 17, and 18 as amended and section 11a as added by 2006 PA 448 and section 7a as added by 2006 PA 447.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

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

The motion prevailed.

Senator Hunter’s statement is as follows:

My amendment adds to the list of the types of signs or sign structures that are prohibited under this bill by including those that violate community standards of decency. Furthermore, my amendment provides that sexually-oriented businesses shall be limited to only two types of signs—one sign for exterior identification and the other giving notice that the premises are off limits to minors.

This amendment is vitally important to me because of the proliferation of the various types of adult entertainment establishments in and around my district, which have become increasingly zealous in using signage to promote their business. Unfortunately, such ardent competition has resulted in the perversion of inappropriate and sexually-suggestive viewing material in communities where decent, hard working citizens live and try to raise their families.

I would like to personally thank Chairman Gilbert for the empathy that he has shown regarding this issue, especially in treating this amendment as a friendly one to his bill.

With that, I respectfully urge this body’s adoption of my amendment.

The following bill was read a third time:

**House Bill No. 5638, entitled**

A bill to amend 1984 PA 270, entitled “Michigan strategic fund act,” by amending section 5 (MCL 125.2005), as amended by 2005 PA 225.

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. 493****Yeas—36**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cherry	Hunter	Patterson	Van Woerkom

**Nays—1**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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 relating to the economic development of this state; to create the Michigan strategic fund and to prescribe its powers and duties; to transfer and provide for the acquisition and succession to the rights, properties, obligations, and duties of the job development authority and the Michigan economic development authority to the Michigan strategic fund; to provide for the expenditure of proceeds in certain funds to which the Michigan strategic fund succeeds in ownership; to provide for the issuance of, and terms and conditions for, certain notes and bonds of the Michigan strategic fund; to create certain boards and funds; to create certain permanent funds; to exempt the property, income, and operation of the fund and its bonds and notes, and the interest thereon, from certain taxes; to provide for the creation of certain centers within and for the purposes of the Michigan strategic fund; to provide for the creation and funding of certain accounts for certain purposes; to impose certain powers and duties upon certain officials, departments, and authorities of this state; to make certain loans, grants, and investments; to provide penalties; to make 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. 4854, entitled**

A bill to amend 1965 PA 314, entitled “Public employee retirement system investment act,” (MCL 38.1132 to 38.1140m) by adding section 13c.

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. 494**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer



**Not Voting—0**

In The Chair: President

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 the investment of assets of public employee retirement systems or plans created and established by the state or any political subdivision; to provide for the payment of certain costs and investment expenses; to authorize investment in variable rate interest loans; to define and limit the investments which may be made by an investment fiduciary with the assets of a public employee retirement system; and to prescribe the powers and duties of investment fiduciaries and certain state departments and officers.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 4903, entitled**

A bill to amend 1965 PA 314, entitled “Public employee retirement system investment act,” (MCL 38.1132 to 38.1140m) by adding section 13d.

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. 495****Yeas—36**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cherry	Hunter	Patterson	Van Woerkom

**Nays—0****Excused—1**

Whitmer

**Not Voting—1**

Cassis

In The Chair: President

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 the investment of assets of public employee retirement systems or plans created and established by the state or any political subdivision; to provide for the payment of certain costs and investment expenses; to authorize investment in variable rate interest loans; to define and limit the investments which may be made by an investment fiduciary with the assets of a public employee retirement system; and to prescribe the powers and duties of investment fiduciaries and certain state departments and officers.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5151, entitled**

A bill to amend 1975 PA 228, entitled “Single business tax act,” by amending section 53 (MCL 208.53).

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. 496**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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 imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5559, entitled**

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending sections 2418, 2618, and 3101 (MCL 500.2418, 500.2618, and 500.3101), section 2418 as amended by 1993 PA 200 and section 3101 as amended by 1988 PA 126.

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. 497**

**Yeas—35**

Allen	Cherry	Jacobs	Richardville
Anderson	Clark-Coleman	Jansen	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Kahn	Scott
Birkholz	Garcia	McManus	Stamas
Bishop	Gilbert	Olshove	Switalski
Brater	Gleason	Pappageorge	Thomas
Brown	Hardiman	Patterson	Van Woerkom
Cassis	Hunter	Prusi	

**Nays—1**

George

**Excused—1**

Whitmer

**Not Voting—1**

Kuipers

In The Chair: President

Senator Cropsey moved that Senator Kuipers be temporarily excused from the balance of today’s session. The motion prevailed.

Senator Kuipers entered the Senate Chamber.

Senator Cropsey 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 revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their

powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 4323, entitled**

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 81115, 81129, 81131, 81133, and 81147 (MCL 324.81115, 324.81129, 324.81131, 324.81133, and 324.81147), sections 81115 as amended by 2003 PA 111, section 81129 as amended by 2008 PA 164, section 81131 as added by 1995 PA 58, section 81133 as amended by 1998 PA 86, and section 81147 as amended by 2004 PA 587.

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. 498**

**Yeas—30**

Allen	Cropsey	Kahn	Richardville
Anderson	Garcia	Kuipers	Sanborn
Barcia	Gilbert	McManus	Schauer
Birkholz	Gleason	Olshove	Stamas
Bishop	Hardiman	Pappageorge	Switalski
Brown	Hunter	Patterson	Thomas
Cassis	Jacobs	Prusi	Van Woerkom
Clarke	Jansen		

**Nays—7**

Basham	Cherry	George	Scott
Brater	Clark-Coleman	Jelinek	

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was not concurred in, 2/3 of the members serving not voting therefor.

Senator Cropsey requested the yeas and nays.

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

The recommendation was concurred in, 2/3 of the members serving voting therefor, as follows:

**Roll Call No. 499****Yeas—28**

Allen	Cropsey	Jansen	Richardville
Anderson	Garcia	Kahn	Sanborn
Barcia	Gilbert	Kuipers	Schauer
Birkholz	Gleason	McManus	Stamas
Bishop	Hardiman	Olshove	Switalski
Brown	Hunter	Pappageorge	Thomas
Cassis	Jacobs	Prusi	Van Woerkom

**Nays—6**

Brater	Clark-Coleman	Jelinek	Scott
Cherry	George		

**Excused—1**

Whitmer

**Not Voting—3**

Basham	Clarke	Patterson
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In The Chair: President

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 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. 5893, entitled**

A bill to amend 2007 PA 36, entitled “Michigan business tax act,” by amending sections 201 and 203 (MCL 208.1201 and 208.1203), section 201 as amended by 2007 PA 145.

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. 500****Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0****Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Cropsey 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. 5681, entitled**

A bill to amend 1982 PA 162, entitled “Nonprofit corporation act,” by amending sections 106, 404, 505, 548, 611, 901, and 922 (MCL 450.2106, 450.2404, 450.2505, 450.2548, 450.2611, 450.2901, and 450.2922), sections 106, 404, and 901 as amended by 2008 PA 9 and section 611 as amended by 1984 PA 209.

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. 501****Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski

Brown  
Cassis  
Cherry

Hardiman  
Hunter

Pappageorge  
Patterson

Thomas  
Van Woerkom

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

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, consolidate, and classify the laws relating to the organization and regulation of certain nonprofit corporations; to prescribe their duties, rights, powers, immunities, and liabilities; to provide for the authorization of foreign nonprofit corporations within this state; to impose certain duties on certain state departments; to prescribe fees; to prescribe penalties for violations of this act; and to repeal certain acts and parts of acts.”.

The Senate agreed to the full title.

The following bill was read a third time:

**Senate Bill No. 1358, entitled**

A bill to regulate the purchase and sale of certain nonferrous metals; to provide for certain disclosures by certain persons regarding certain transactions; to require the creation of certain records for certain purposes and for the use of certain databases by certain persons; and to provide for penalties and remedies.

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. 502**

**Yeas—37**

Allen  
Anderson  
Barcia  
Basham  
Birkholz  
Bishop  
Brater  
Brown  
Cassis  
Cherry

Clark-Coleman  
Clarke  
Cropsey  
Garcia  
George  
Gilbert  
Gleason  
Hardiman  
Hunter

Jacobs  
Jansen  
Jelinek  
Kahn  
Kuipers  
McManus  
Olshove  
Pappageorge  
Patterson

Prusi  
Richardville  
Sanborn  
Schauer  
Scott  
Stamas  
Switalski  
Thomas  
Van Woerkom

**Nays—0**

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 1114, entitled**

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” by amending section 356 (MCL 750.356), as amended by 1998 PA 311.

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. 503****Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0****Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 720, entitled**

A bill to amend 1917 PA 350, entitled “An act to regulate and license second hand dealers and junk dealers; and to prescribe penalties for the violation of the provisions of this act,” by amending sections 1 and 2 (MCL 445.401 and 445.402), as amended by 2006 PA 675.

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. 504****Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Schauer
Birkholz	George	Kuipers	Scott
Bishop	Gilbert	McManus	Stamas
Brater	Gleason	Olshove	Switalski
Brown	Hardiman	Pappageorge	Thomas
Cassis	Hunter	Patterson	Van Woerkom
Cherry			

**Nays—0****Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

By unanimous consent the Senate returned to the order of  
**Motions and Communications**

Senator Cropsey moved that the Committee on Energy Policy and Public Utilities be discharged from further consideration of the following bill:

**Senate Bill No. 213, entitled**

A bill to require certain providers of electric service to comply with a portfolio standard for renewable energy; to create energy diversity for the long-term security of our economy and environment; to promote the health of our citizens; to prescribe the powers and duties of certain state agencies and officials; and to provide for penalties.

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

Senator Cropsey moved that the rules be suspended and that the following bill, now on the order of General Orders, be placed on the General Orders calendar for consideration today:

**Senate Bill No. 213**

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

By unanimous consent the Senate returned to the order of  
**General Orders**

Senator Cropsey 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 Cherry, designated Senator Basham as Chairperson.

### Recess

Senator Cropsey moved that the Committee of the Whole recess subject to the call of the Chairperson. The motion prevailed, the time being until 9:15 p.m.

9:25 p.m.

The Committee of the Whole was called to order by the Chairperson, Senator Basham.

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

#### **Senate Bill No. 213, entitled**

A bill to require certain providers of electric service to comply with a portfolio standard for renewable energy; to create energy diversity for the long-term security of our economy and environment; to promote the health of our citizens; to prescribe the powers and duties of certain state agencies and officials; and to provide for penalties.

Substitute (S-5).

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

1. Amend page 7, line 18, after "and" by inserting "(1)".
2. Amend page 7, line 20, after "efficiency" by inserting "or (2) is an expansion of an incinerator to an approximate continuous design rated capacity of not more than 950 tons per day pursuant to the terms of a final request for proposals requested not later than October 1, 1986."
3. Amend page 44, line 21, after "2008," by striking out the balance of the line through "supplier" on line 22 and inserting "a merchant plant".
4. Amend page 44, line 25, after "the" by striking out "alternative electric supplier" and inserting "merchant plant".
5. Amend page 45, line 1, after "the" by striking out "alternative electric supplier" and inserting "merchant plant".
6. Amend page 45, line 1, after "supplier" by striking out "may" and inserting "shall".
7. Amend page 45, line 2, after "the" by striking out "alternative electric supplier's" and inserting "merchant plant's".
8. Amend page 45, line 2, after "actual" by inserting "and reasonably incurred".
9. Amend page 45, line 9, after the first "the" by striking out "alternative electric supplier" and inserting "merchant plant".
10. Amend page 45, line 10, by striking out "alternative electric supplier" and inserting "merchant plant".
11. Amend page 51, line 1, after "Sec. 48." by striking out the balance of the line through "commission." on line 2 and inserting "(1) A natural gas utility regulated by the commission shall be allowed to decouple rates for residential and small commercial customers by implementing, at the election of the utility, 1 of the following decoupling options:
  - (a) A single per customer class fixed monthly service charge to recover the revenue requirement authorized in its most recent base rate case in place of the customer charges and volumetric distribution charges for those classes.
  - (b) A symmetrical volumetric decoupling mechanism to recover from or return to customers the difference between the monthly revenue requirements authorized in its most recent base rate case to the actual revenue recovered from each customer class. The overrecovery or underrecovery shall be collected from or returned to customers in the second month following the overcollection or undercollection.

(2) On an annual basis, a natural gas utility using either decoupling mechanism described in subsection (1) shall implement a true-up mechanism in a manner determined by commission order to adjust for variable costs incurred by the utility that are above or below the costs used to determine the revenue requirement authorized in its most recent base rate case".
12. Amend page 57, line 27, by striking out the balance of the subdivision and inserting:
  - (a) 1 member representing the commission.
  - (b) 2 members representing the electric utility industry.
  - (c) 1 member representing alternative electric suppliers.
  - (d) 1 member representing the attorney general.
  - (e) 1 member representing the renewable energy industry.
  - (f) 1 member representing municipalities.
  - (g) 1 member representing the electric transmission industry.
  - (h) 1 member representing the public at large."
13. Amend page 59, line 24, after "(4)" by inserting "In determining the location of a zone, the commission shall ensure that there are not adverse impacts on the public health, safety, or welfare and that any adverse impacts on private property values are minimal."
14. Amend page 63, line 3, after "line" by striking out the balance of the subdivision and inserting "will not result in an adverse impact on the public health, safety, or welfare and that any adverse impacts on private property values will be minimal."

15. Amend page 65, following line 26, by inserting:

“Sec. 95. This part does not confer the power of eminent domain.”.

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. 5524, entitled**

A bill to amend 1939 PA 3, entitled “An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,” by amending sections 6a, 10, 10a, 10b, 10d, 10g, 10p, 10r, 10x, and 10y (MCL 460.6a, 460.10, 460.10a, 460.10b, 460.10d, 460.10g, 460.10p, 460.10r, 460.10x, and 460.10y), section 6a as amended by 1992 PA 37, sections 10, 10b, 10p, 10r, 10x, and 10y as added by 2000 PA 141, section 10a as amended by 2004 PA 88, section 10d as amended by 2002 PA 609, and section 10g as amended by 2001 PA 48, and by adding sections 4a, 6q, 6s, 10dd, and 11.

Substitute (S-7).

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

1. Amend page 9, following line 5, by inserting:

**“(7) IF, ON OR BEFORE JANUARY 1, 2008, A MERCHANT PLANT ENTERED INTO A CONTRACT WITH AN INITIAL TERM OF 20 YEARS OR MORE TO SELL ELECTRICITY TO A UTILITY WHOSE RATES ARE REGULATED BY THE COMMISSION WITH 1,000,000 OR MORE RETAIL CUSTOMERS IN THIS STATE AND IF THE MERCHANT PLANT GENERATED ELECTRICITY UNDER THAT CONTRACT, IN WHOLE OR IN PART, FROM A RENEWABLE ENERGY RESOURCE, WOOD, WOOD WASTES, OR LANDFILL GAS, THEN THE MERCHANT PLANT SHALL RECOVER THE AMOUNT, IF ANY, BY WHICH THE MERCHANT PLANT’S REASONABLY AND PRUDENTLY INCURRED ACTUAL FUEL AND VARIABLE OPERATION AND MAINTENANCE COSTS EXCEED THE AMOUNT THAT THE MERCHANT PLANT IS PAID UNDER THE CONTRACT FOR THOSE COSTS.**

**(8) THE COMMISSION SHALL ISSUE ORDERS TO PERMIT THE RECOVERY AUTHORIZED UNDER SUBSECTION (7) THROUGH THE POWER SUPPLY COST RECOVERY PROCESS OF THE UTILITY WHOSE RATES ARE REGULATED BY THE COMMISSION UPON PETITION OF THE MERCHANT PLANT. THE MERCHANT PLANT SHALL NOT BE REQUIRED TO ALTER OR AMEND THE EXISTING CONTRACT WITH THE ELECTRIC UTILITY IN ORDER TO OBTAIN THE RECOVERY UNDER SUBSECTION (7). THE COMMISSION SHALL PERMIT OR REQUIRE THE UTILITY WHOSE RATES ARE REGULATED BY THE COMMISSION TO RECOVER FROM ITS RATEPAYERS FUEL AND VARIABLE OPERATION AND MAINTENANCE COSTS UNDER THE CONTRACT AS REASONABLY AND PRUDENTLY INCURRED COSTS.”.**

2. Amend page 22, line 5, after “FACILITY” by inserting “AS WELL AS ANY NEW FACILITY CONSTRUCTED AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION THAT IS SIMILAR IN NATURE AND UNDER COMMON OWNERSHIP WITH THE EXISTING FACILITY”.

3. Amend page 46, following line 19, by inserting:

**“(14) AS USED IN THIS SECTION, “JURISDICTIONAL UTILITY” OR “JURISDICTIONAL ENTITY” MEANS JURISDICTIONAL REGULATED UTILITY AS THAT TERM IS DEFINED IN SECTION 6Q.”.**

4. Amend page 59, line 22, after “(1)” by inserting “THIS SUBSECTION APPLIES BEGINNING JANUARY 1, 2009.”.

5. Amend page 59, line 25, after “SECTION.” by inserting “THE COST OF PROVIDING SERVICE TO EACH CUSTOMER CLASS SHALL BE BASED ON THE PRODUCTION-RELATED AND TRANSMISSION COSTS BASED ON THE 50-25-25 METHOD OF COST ALLOCATION. THE COMMISSION MAY MODIFY THIS METHOD TO BETTER ENSURE RATES ARE EQUAL TO THE COST OF SERVICE IF THIS METHOD DOES NOT RESULT IN A GREATER AMOUNT OF PRODUCTION-RELATED AND TRANSMISSION COSTS ALLOCATED TO PRIMARY CUSTOMERS.”.

6. Amend page 59, line 26, after “CUSTOMERS” by striking out “OVER A PERIOD OF” and inserting “WITHIN”.

7. Amend page 60, line 2, after “SHALL” by striking out the balance of the subsection and inserting “ENSURE THAT THE IMPACT ON RATES DUE TO THE PHASE-IN PERIOD IN SUBSECTION (1) IS NO MORE THAN 2.5% PER YEAR OR ISSUE A FINANCING ORDER TO ALLOW A UTILITY TO RECOVER QUALIFIED COSTS. IN DETERMINING WHETHER TO ISSUE A FINANCING ORDER, THE COMMISSION SHALL REVIEW THE FOLLOWING:

(A) WHETHER A FINANCING ORDER IS IN THE BEST INTERESTS OF RESIDENTIAL CUSTOMERS.

(B) THE TOTAL COST TO RESIDENTIAL CUSTOMERS OF THE ISSUANCE OF SECURITIZATION BONDS.

(C) THE EFFECT ON RESIDENTIAL CUSTOMERS OF ANY ADDITIONAL COSTS BECAUSE OF THE ISSUANCE OF A CERTIFICATE OF NECESSITY UNDER SECTION 6S.

(D) ANY OTHER FACTORS AFFECTING RESIDENTIAL RATES.”.

8. Amend page 60, following line 16, by inserting:

“(D) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, THAT THE PERIOD OVER WHICH THE SECURITIZATION CHARGES ARE TO BE RECOVERED SHALL NOT EXCEED 10 YEARS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION. IF THE COMMISSION DETERMINES THAT IT IS IN THE BEST INTERESTS OF RESIDENTIAL RATEPAYERS, THE COMMISSION MAY ALLOW SECURITIZATION CHARGES TO BE RECOVERED UP TO 18 YEARS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.”.

9. Amend page 69, line 3, after “(39)” by inserting “THIS SUBSECTION APPLIES BEGINNING JANUARY 1, 2009.”.

10. Amend page 69, line 11, after “YEARS.” by inserting “THE COMMISSION SHALL ENSURE THAT ANY IMPACT ON RATES IS NOT MORE THAN 2.5% PER YEAR.”.

11. Amend page 69, line 23, after “A” by inserting “RESIDENTIAL”.

12. Amend page 69, line 24, after “SUCCESSORS” by striking out the balance of the subdivision and inserting a period.

13. Amend page 70, line 6, after “ORDER,” by striking out “THAT HAVE A TERM OF 10 YEARS” and inserting “WITH A MATURITY THAT DOES NOT EXCEED 10 YEARS FROM THE DATE OF ISSUANCE”.

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:  
**Senate Bill No. 1048, entitled**

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” (MCL 206.1 to 206.532) by adding section 253.  
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.

By unanimous consent the Senate returned to the order of  
**Third Reading of Bills**

Senator Cropsey 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. 213**

**Senate Bill No. 1048**

**House Bill No. 5524**

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

The following bill was read a third time:

**Senate Bill No. 213, entitled**

A bill to require providers of retail electric service to establish a renewable energy program; to prescribe the powers and duties of certain state agencies and officials; to authorize the creation and implementation of wind energy resource zones; to ensure transmission infrastructure to deliver wind energy; to provide for expedited transmission line siting authority; to provide incentives for establishing wind generation facilities; to provide for condemnation authority; and to provide for sanctions.

The question being on the passage of the bill,  
 Senator Olshove offered the following substitute:  
 Substitute (S-2).

The question being on the adoption of the substitute,  
 Senator Thomas 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. 505****Yeas—16**

Anderson	Cherry	Hunter	Schauer
Barcia	Clark-Coleman	Jacobs	Scott
Basham	Clarke	Olshove	Switalski
Brater	Gleason	Prusi	Thomas

**Nays—20**

Allen	Cropsey	Jansen	Pappageorge
Birkholz	Garcia	Jelinek	Richardville
Bishop	George	Kahn	Sanborn
Brown	Gilbert	Kuipers	Stamas
Cassis	Hardiman	McManus	Van Woerkom

**Excused—1**

Whitmer

**Not Voting—1**

Patterson

In The Chair: President

The question being on the passage of the bill,

The bill was defeated, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 506****Yeas—19**

Allen	Garcia	Jelinek	Richardville
Birkholz	George	Kahn	Sanborn
Bishop	Gilbert	McManus	Stamas
Cassis	Hardiman	Pappageorge	Van Woerkom
Cropsey	Jansen	Patterson	

**Nays—18**

Anderson	Cherry	Jacobs	Schauer
Barcia	Clark-Coleman	Kuipers	Scott

Basham  
Brater  
Brown

Clarke  
Gleason  
Hunter

Olshove  
Prusi

Switalski  
Thomas

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

Senator Cropsey moved to reconsider the vote by which the bill was defeated.  
The question being on the motion to reconsider,  
Senator Cropsey moved that further consideration of the bill be postponed temporarily.  
The motion prevailed.

**Protest**

Senator Brater, under her constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 213 and moved that the statement she made during the discussion of the bill be printed as her reasons for voting “no.”

The motion prevailed.

Senator Brater’s statement is as follows:

Mr. President and colleagues, it is late, it is the end of June, we are finishing budgets, and we are taking up a very, very complex package of energy legislation that many members here have been working very hard on, both sides of the aisle, both sides of the Rotunda for many months. We appreciate all the effort that has been going into this very important public policy issue.

In her State of the State Address at the beginning of this year, the Governor proposed establishing a renewable energy standard of 25 percent by 2025. That was an achievable, aggressive standard that would truly move us forward in reducing carbon emissions that contribute to global warming. Instead, we’re looking at a renewable energy portfolio standard of 7 percent in this package. We currently have a renewable energy portfolio of 5 percent in this state, so moving to 7 percent, as this package would do tonight, is rather disappointing. It’s paltry; it is exceedingly weak. Can we set our standards any lower?

Many good things were in this package as the bills came out of the House and out of the Senate energy committee. There were energy-efficiency standards and integrated resource planning which would allow the Michigan Public Service Commission to evaluate proposals for new coal-burning plants and authorize them only if they were needed. After all, cheaper options have been exhausted. I understand there is some version of that certificate-of-need approach in these bills tonight, but we haven’t had a chance to examine exactly how they have been modified.

As the good Senator from the 24th District noted, coal costs have doubled in the last year. So there is a very real possibility that new coal plants would be ruled out under this certificate-of-need approach. This is a very important feature to control costs to ratepayers, especially as de-skewing shifts costs from commercial and industrial to residential customers.

We should be allowing unfettered competition to allow true, lower cost of alternative energy to emerge and shine through. We must factor in the economic benefits of job creation, revitalizing manufacturing, research and development in this state, and bringing in good-paying jobs; and the ripple effect that these would have on our economy.

Even at the high cost that the Senator from the 24th District noted earlier in her remarks, that is a cost of \$30 per citizen per year. We really can’t afford not to invest and mandate renewable energy now because there are real economic costs of climate change. There is change to agriculture and changes to the growing season; our fish habitat and population will change; the cooler-water-loving fish will no longer be able to live in Michigan; our vegetation and types of trees will change; and we will have lower lake levels. There will be real economic effects to this state, to our agriculture and tourism, for not taking aggressive action, which we should be taking tonight to curb global warming and establish meaningful renewable energy standards.

The following bill was read a third time:

**Senate Bill No. 1048, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 253.

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. 507**

**Yeas—20**

Allen	Cropsey	Jansen	Patterson
Birkholz	Garcia	Kahn	Richardville
Bishop	George	Kuipers	Sanborn
Brown	Gilbert	McManus	Stamas
Cassis	Hardiman	Pappageorge	Van Woerkom

**Nays—17**

Anderson	Clark-Coleman	Jacobs	Schauer
Barcia	Clarke	Jelinek	Scott
Basham	Gleason	Olshove	Switalski
Brater	Hunter	Prusi	Thomas
Cherry			

**Excused—1**

Whitmer

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

**Protest**

Senator Switalski, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 1048 and moved that the statement he made during the discussion of the bill be printed as his reasons for voting "no."

The motion prevailed.

Senator Switalski's statement is as follows:

I appreciate that the bill is well-intentioned and that we would want people to buy energy-efficient appliances, but the price tag of \$200 million is not paid for in the bill. There is no provision to pay for that. We have just gone through earlier today a number of budgets that we had to trim because we don't have the revenues that we thought we were going to have. This bill would go ahead and reduce those revenues another \$200 million. When you look at efficiency and the choices that consumers are making, the market forces are telling them that energy is getting more expensive. You can make a better purchase in the long run if you get a more efficient appliance. The market forces are telling people to do that. If you look at what is happening in the automotive market right now, people are changing from inefficient vehicles that get low miles per gallon to more efficient vehicles. People will do the same with appliances. We don't need to give away \$200 million that we can't afford. We need to promote it, and we need to encourage people to do that. But unless this is paid for, we can't afford this.

The following bill was read a third time:

**House Bill No. 5524, entitled**

A bill to amend 1939 PA 3, entitled “An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,” by amending sections 6a, 10, 10a, 10b, 10d, 10g, 10p, 10r, 10x, and 10y (MCL 460.6a, 460.10, 460.10a, 460.10b, 460.10d, 460.10g, 460.10p, 460.10r, 460.10x, and 460.10y), section 6a as amended by 1992 PA 37, sections 10, 10b, 10p, 10r, 10x, and 10y as added by 2000 PA 141, section 10a as amended by 2004 PA 88, section 10d as amended by 2002 PA 609, and section 10g as amended by 2001 PA 48, and by adding sections 4a, 6q, 6s, 10dd, and 11.

The question being on the passage of the bill,

Senator Birkholz offered the following amendments:

1. Amend page 20, line 25, after “**THAN**” by striking out “**10%**” and inserting “**15%**”.

2. Amend page 21, line 19, after “**THAN**” by striking out “**10%**” and inserting “**15%**”.

The amendments were not adopted, a majority of the members serving not voting therefor.

The question being on the passage of the bill,

The bill was defeated, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 508**

**Yeas—13**

Allen	Cropsey	Jelinek	Patterson
Bishop	Gilbert	McManus	Richardville
Cassis	Jacobs	Pappageorge	Stamas
Cherry			

**Nays—13**

Anderson	Clarke	Jansen	Sanborn
Birkholz	George	Kahn	Switalski
Brater	Hardiman	Kuipers	Van Woerkom
Brown			

**Excused—1**

Whitmer

**Not Voting—11**

Barcia	Garcia	Olshove	Scott
Basham	Gleason	Prusi	Thomas
Clark-Coleman	Hunter	Schauer	

In The Chair: President



Senator Cropsey moved to reconsider the vote by which the bill was defeated.  
The question being on the motion to reconsider,  
Senator Cropsey moved that further consideration of the bill be postponed temporarily.  
The motion prevailed.

### Protests

Senators George, Brown and Hardiman, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 5524 and moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator George’s statement is as follows:

The effects of increasing energy costs are similar to the effects of high fuel costs or high health care costs on our state’s economy. These rising fixed costs lead to inflation, decreased competitiveness, and job loss. Rising fuel costs, the most recent example, are clearly having dramatic effects on Michigan’s economy. Four-dollar-per-gallon gasoline has led to falling sales of pickup trucks and SUVs and yet another round of automotive restructuring, including plant closures and layoffs. Indeed, Michigan’s unemployment rate leads the nation at 8.5 percent—highest in 14 years. General Motors stock is valued at its lowest level in 33 years.

What is the consequence of rising fuel prices? Change in consumer buying patterns, an incentive for efficiency, and a renewed interest in alternatives to gasoline. Alternatives might be walking or bike riding, car pooling, moving closer to work, planning your day better, or in Oakland County, 40-hour work weeks compressed into four days instead of five. I would note that none of these required state government intervention. None of these stemmed from any action in Lansing. These changes in the economic behavior have occurred despite, or in spite of, any decrees which we may issue here.

Now with rising fuel prices, energy prices will also inevitably rise. This is because of the cost of three of the main fuels for electric generation. Coal, natural gas, and petroleum have all risen dramatically in recent months. Moreover, as neither coal nor natural gas are mined here, rising gasoline prices lead to increased costs for transporting them to Michigan. Increased fuel prices for electric generation can only mean one thing for purchasers increased prices. This applies to residential as well as commercial and industrial purchasers.

And as electric prices rise, behavior will change just like with gasoline. There will be a new interest in energy-efficiency measures. There will be new interest in alternative sources of electric supply. There will be renewed efforts to find new sources of suddenly more valuable fuels: coal, natural gas, and petroleum. There will be renewed interest in renewable energy sources such as hydroelectric, solar, and wind. There will be renewed interest in nuclear power. Why? Because of some artificial standard that the state will adopt? Because of some decree from Lansing that consumers must buy electricity generated in such a fashion? Because the Legislature and the Governor say so? No, the increased interest in energy efficiency, in new sources of traditional fuels, in the construction of new generation plants, and in renewable sources of energy will occur because of the cold reality of the marketplace. It is the costs of fuel and electric generation that will drive the search for solutions to our energy problems, not the Michigan Legislature nor the Governor.

Michigan is well-positioned to be a leader in emerging sectors of the energy industry. Given our research universities, we could be a source for new ideas, for innovation, and for the development of new energy technologies. And given our geography, we could become a supplier of electricity generated from renewable sources: wind-, solar-, and water-generated. We could become a supplier to meet the demands of other states in the Midwest.

Unfortunately, the legislation before us does not allow us to take advantage of the changes in the economy so as to position Michigan to be a leader in this emerging sector. Instead of fostering competition and inviting companies to Michigan that are leaders in renewable energy, inviting them to invest here to build generation facilities here, this bill takes us in the other direction. It diminishes competition. It re-monopolizes our energy industry, diminishes the authority of the Michigan Public Service Commission, and places new surcharges on energy purchasers.

Now the funds collected from one of these surcharges would be used by the two incumbent utilities to create programs promoting energy efficiency. Another surcharge would fund a renewable portfolio standard, and yet another surcharge would be for funding construction of new plant generation.

This mechanism is flawed. We do not need a surcharge set aside for the construction of new generating plants. If demand is truly rising, and there is some debate as to whether, in fact, it is, then investors and producers have sufficient incentive to build new plants.

This package takes Michigan in the wrong direction. It fails to seize on the dynamics in the energy industry to make Michigan a leader in this sector. Rather, it creates unnecessary new surcharges, raising the costs to consumers; it lessens competition and sends a go-away signal to potential investors and new businesses. I encourage a “no” vote.

Senator Brown's statement is as follows:

We all see things differently, and the beauty of America is that we can express that difference freely, even by a vote. With that said, the issue before us cries out for leadership. We can be leaders, or we can be blind followers of legislation from the House.

In the midst of this important decision, there is one thing that everyone involved in this energy debate can agree on. Michigan needs a long-term plan to meet its future energy needs. Now there are those who would have us believe that the only way to meet these energy needs is to eliminate competition in our energy market, grant monopoly status to two companies, and subject customers, especially residential customers, to massive rate hikes. This is simply not true.

Competition has made our incumbent utilities more efficient and more effective, by their own admission. With competition, customers can be assured that the most affordable new plants are built. Without competition, customers can be assured that the most expensive new plants are built. Plants like the ill-fated Midland nuclear plant, which had cost overruns of nearly \$5 billion, or the DTE plant in Monroe that had overruns of over \$4 billion when we last had electric monopolies in Michigan. Was it the company's investors who picked up the tab of these massive overruns? No, it was the customers, just as it will be with this bill, thanks to a total lack of oversight.

In addition to granting monopoly status to two companies and allowing for massive cost overruns, the bill before us will drastically reduce customer protection, allowing for rate hikes without the Michigan Public Service Commission oversight. Make no mistake, all of these company-friendly features of the bill are very customer-unfriendly. There is no arguing that they will result in massive rate increases for Michigan electric customers.

It is hard to fathom that a chamber that so labored over a tax increase last year is prepared to pass bills that will lead to massive electric rate increases for Michigan residents who are already strapped by mortgage problems, unemployment, and \$4-per-gallon gas. Do not be fooled. The bill before you does not contain any guarantee by itself that new generation will be built in Michigan. The only thing you can guarantee your constituents by approving this bill is massive rate hikes at a time when they can least afford it. The certainty that the incumbent utilities need to ensure financial backing for new generation in Michigan can be achieved without eliminating choice and competition, but that path will be barred by the passage of this bill.

To be sure, Michigan electric customers won't blame DTE and Consumers Energy when they see massive rate increases on their utility bills. They won't blame the Michigan Public Service Commission either. They will, however, blame this Legislature, and specifically, the ones who voted for this bill. I urge a "no" vote on House Bill No. 5524.

Senator Hardiman's statement is as follows:

Tonight we have heard much discussion on this whole topic of House Bill No. 5524 and on the issue of energy. I would say for myself, over the last month, I've never had as many meetings and discussions on this topic of energy as I have had over the last month. I appreciate the discussion I have had with the current utilities and the members of the committee. I don't see this as an issue of good or evil on one side or the other. What I have tried to do is ferret out the information as best I can, and I know a lot more about this topic than I did a few weeks ago.

I am by no means an expert, but I do believe this to be the crux of the issue: How do we ensure that we provide affordable and reliable energy for the future for the people of the state of Michigan? How do we provide for the financial backing so that we can build appropriate plants to produce the energy? One way is to put a cap on choice. I think there are other ways. For me, simply, it means this: I do believe there are other ways and I appreciate choice. I would like to see us try those other ways; it is as simple as that.

Others are perhaps more learned on the issue, but I have heard people who are very learned speak to both sides of the issue. This is where I fall out. I believe it is best for the people of the state of Michigan that we do not move in this direction, but that we move in another direction. That is why I am going to vote "no." I appreciate all those who have searched their own hearts, looked at the information before them, and voted their consciences.

Senators Garcia and Patterson asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Garcia's statement is as follows:

I rise because there are a number of aspects of this bill that trouble me. One is the cap on competition or choice. There are a number of things that are troubling about this bill, but as I studied it and listened to both sides, it became clear to me that we have to do something. It would be wrong to sit here and let the current system continue when there are pressing energy needs. We need to think out into the future.

There are a number of aspects that trouble me. I intend to support this because I know there are going to be questions asked afterward: Why didn't we allow more competition? Why didn't we allow more choice? In this business there are a lot of tradeoffs. This was a very technical issue, and a lot of testimony was taken in committee. We listened to a lot of the discussion in our own caucus. I will support this bill, but with some reservation.

Senator Patterson's statement is as follows:

I have listened intensely to the debate tonight and to the facts and the evidence adduced over months and months and months of hearings, independent study, and committee collaboration. I have heard about the essential component that is lacking—being competition. What those who are speaking before me in favor of more competition seem to fail to understand is even the most basic words that had been thrown around, like “price” as though it was synonymous with “cost,” or synonymous with “rates.” Previous speakers have used those words as if they knew of what they spoke. Tragically, their iterations have proven that they do not. Sadly, those words, if intentionally uttered, must have been done so to deceive and to tear down what may not be a perfect work but is a good work and is necessary for the future of Michigan.

I do not want people to be confused. Electricity and its generation, transmission, and distribution has a certain absolute criticality—everybody needs it. If those who want competition want unbounded competition, they should be promoting and advocating for total deregulation, in which case, there would be no rates. Then those constituents whom they hope to serve and save will be able to pay as much as \$700 per megawatt hour. Instead of paying 8 cents per kilowatt hour, they will be paying from \$70 to \$100 per kilowatt hour because that is the price it will take to be paid. So when your grandfather or your grandmother are home with the air conditioning going in the really hot weather when demand is the highest, they will be toasty. When you talk about toasting, they won't be able to even run their toaster because there will be no obligation to serve.

The free market will indeed prevail. Those of us who have the means will continue to be able to acquire electricity. Those who don't have the means, they can suffer in the heat, or they can cook over a bonfire, but they are not going to be able to get electricity pushed through that wire to their home. There is not going to be an obligation to serve. We are going to leave it to the free market. Those who don't have the money won't be getting any electricity.

Those of you who are proponents of competition, I submit to you, I have a vehicle bill to eliminate regulation entirely. I have told you this before. Nobody who believes in total competition, who understands the issue, has had the courage to step up and propose that we deregulate.

So I have heard enough. Don't believe those who preceded me in conversation with a “no” vote explanation and suggest they know anything about this issue; or that they have the poor consumer's interest at heart. Poppycock.

By unanimous consent the Senate returned to consideration of the following bill:

**Senate Bill No. 213, entitled**

A bill to require providers of retail electric service to establish a renewable energy program; to prescribe the powers and duties of certain state agencies and officials; to authorize the creation and implementation of wind energy resource zones; to ensure transmission infrastructure to deliver wind energy; to provide for expedited transmission line siting authority; to provide incentives for establishing wind generation facilities; to provide for condemnation authority; and to provide for sanctions.

(This bill was defeated earlier today and the motion to reconsider the vote postponed. See p. 1564.)

The question being on the motion to reconsider the vote by which the bill was defeated,

The motion prevailed.

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. 509**

**Yeas—20**

Allen	Cropsey	Jansen	Patterson
Barcia	Garcia	Jelinek	Richardville
Birkholz	George	Kahn	Sanborn
Bishop	Gilbert	McManus	Stamas
Cassis	Hardiman	Pappageorge	Van Woerkom

**Nays—15**

Anderson	Clark-Coleman	Jacobs	Schauer
Brater	Clarke	Kuipers	Scott
Brown	Gleason	Olshove	Switalski
Cherry	Hunter	Prusi	

**Excused—1**

Whitmer

**Not Voting—2**

Basham

Thomas

In The Chair: President

The Senate agreed to the title of the bill.

**Recess**

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 11:15 p.m.

11:51 p.m.

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

By unanimous consent the Senate returned to the order of  
**Motions and Communications**

Senator Cropsey moved that when the Senate adjourns today, it stand adjourned until Saturday, June 28, 2008, at 12:01 a.m.

The motion prevailed.

By unanimous consent the Senate returned to the order of  
**Third Reading of Bills**

Senator Thomas moved that Senators Clark-Coleman and Scott be excused from the balance of today's session.  
The motion prevailed.

By unanimous consent the Senate returned to consideration of the following bill:

**House Bill No. 5524, entitled**

A bill to amend 1939 PA 3, entitled "An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts," by amending sections 6a, 10, 10a, 10b, 10d, 10g, 10p, 10r, 10x, and 10y (MCL 460.6a, 460.10, 460.10a, 460.10b, 460.10d, 460.10g, 460.10p, 460.10r, 460.10x, and 460.10y), section 6a as amended by

1992 PA 37, sections 10, 10b, 10p, 10r, 10x, and 10y as added by 2000 PA 141, section 10a as amended by 2004 PA 88, section 10d as amended by 2002 PA 609, and section 10g as amended by 2001 PA 48, and by adding sections 4a, 6q, 6s, 10dd, and 11.

(This bill was defeated earlier today and the motion to reconsider the vote postponed. See p. 1568.)

The question being on the motion to reconsider the vote by which the bill was defeated,

The motion prevailed.

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. 510****Yeas—21**

Allen	Cropsey	Jacobs	Patterson
Barcia	Garcia	Jelinek	Richardville
Basham	Gilbert	McManus	Schauer
Bishop	Gleason	Olshove	Stamas
Cassis	Hunter	Pappageorge	Thomas
Cherry			

**Nays—14**

Anderson	Clarke	Kahn	Sanborn
Birkholz	George	Kuipers	Switalski
Brater	Hardiman	Prusi	Van Woerkom
Brown	Jansen		

**Excused—3**

Clark-Coleman	Scott	Whitmer
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**Not Voting—0**

In The Chair: President

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

The recommendation was not concurred in, 2/3 of the members serving not voting therefor.

The Senate agreed to the title of the bill.

**Committee Reports**

The Committee on Finance reported

**Senate Bill No. 1284, entitled**

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending sections 201 and 203 (MCL 208.1201 and 208.1203), section 201 as amended by 2007 PA 145.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Nancy Cassis  
Chairperson

## To Report Out:

Yeas: Senators Cassis, Gilbert, McManus, Jansen, Prusi, Jacobs and Whitmer

Nays: None

The bill was referred to the Committee of the Whole.

## COMMITTEE ATTENDANCE REPORT

The Committee on Finance submitted the following:

Meeting held on Thursday, June 26, 2008, at 1:02 p.m., Room 110, Farnum Building

Present: Senators Cassis (C), Gilbert, McManus, Jansen, Prusi, Jacobs and Whitmer

The Committee on Economic Development and Regulatory Reform reported

**Senate Bill No. 720, entitled**

A bill to amend 1917 PA 350, entitled "An act to regulate and license second hand dealers and junk dealers; and to prescribe penalties for the violation of the provisions of this act," by amending sections 1, 2, 4, 5, 7, and 8 (MCL 445.401, 445.402, 445.404, 445.405, 445.407, and 445.408), sections 1, 2, 4, 5, and 8 as amended by 2006 PA 675.

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.

Alan Sanborn  
Chairperson

## To Report Out:

Yeas: Senators Sanborn, Richardville, Allen, Gilbert, Thomas and Hunter

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Economic Development and Regulatory Reform reported

**Senate Bill No. 1114, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 356 (MCL 750.356), as amended by 1998 PA 311.

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.

Alan Sanborn  
Chairperson

## To Report Out:

Yeas: Senators Sanborn, Richardville, Allen, Gilbert, Thomas and Hunter

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Economic Development and Regulatory Reform reported

**Senate Bill No. 1358, entitled**

A bill to regulate the purchase and sale of certain nonferrous metals; to provide for certain disclosures by certain persons regarding certain transactions; to require the creation of certain records for certain purposes and for the use of certain databases by certain persons; and to provide for penalties and remedies.

With the recommendation that the substitute (S-3) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Alan Sanborn  
Chairperson

## To Report Out:

Yeas: Senators Sanborn, Richardville, Allen, Gilbert, Thomas and Hunter

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Economic Development and Regulatory Reform reported

**Senate Bill No. 1401, entitled**

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 1239 (MCL 500.1239), as amended by 2007 PA 187.

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.

Alan Sanborn  
Chairperson

To Report Out:

Yeas: Senators Sanborn, Richardville, Allen, Gilbert, Thomas and Hunter

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 Economic Development and Regulatory Reform submitted the following:

Meeting held on Friday, June 27, 2008, at 9:00 a.m., Rooms 402 and 403, Capitol Building

Present: Senators Sanborn (C), Richardville, Allen, Gilbert, Thomas and Hunter

Excused: Senator Jacobs

The Committee on Commerce and Tourism reported

**House Bill No. 6208, entitled**

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending section 88d (MCL 125.2088d), as amended by 2008 PA 80.

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.

Jason E. Allen  
Chairperson

To Report Out:

Yeas: Senators Allen, Gilbert, Stamas and Clarke

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 Commerce and Tourism submitted the following:

Meeting held on Friday, June 27, 2008, at 9:00 a.m., Room 100, Farnum Building

Present: Senators Allen (C), Gilbert, Stamas and Clarke

Excused: Senator Hunter

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on History, Arts, and Libraries (HB 5804) submitted the following:

Meeting held on Thursday, June 26, 2008, at 8:45 a.m., Room 424, Capitol Building

Present: Senators George and Brown

Excused: Senator Clark-Coleman

#### COMMITTEE ATTENDANCE REPORT

The Joint Subcommittee on Capital Outlay submitted the following:

Meeting held on Thursday, June 26, 2008, at 9:00 a.m., House Appropriations Room, 3rd Floor, Capitol Building

Present: Senators McManus (C), Jelinek, Brown, Cropsy, Hardiman, Pappageorge, Switalski, Cherry, Clark-Coleman and Scott

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on Military and Veterans Affairs (HB 5812) submitted the following:

Meeting held on Thursday, June 26, 2008, at 9:30 a.m., Room 424, Capitol Building

Present: Senators Garcia, Cropsy and Barcia

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on State Police (HB 5811) submitted the following:  
Meeting held on Thursday, June 26, 2008, at 9:30 a.m., Room 424, Capitol Building  
Present: Senators Garcia, Cropsey and Barcia

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Labor and Economic Growth (HB 5809) submitted the following:  
Meeting held on Thursday, June 26, 2008, at 11:30 a.m., Room 327, South Tower, Anderson House Office Building  
Present: Senators Jansen, George and Scott

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Agriculture (HB 5807) submitted the following:  
Meeting held on Thursday, June 26, 2008, at 4:00 p.m., Room 426, Capitol Building  
Present: Senators Brown, Jelinek and Scott

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Education (SB 1096) submitted the following:  
Meeting held on Thursday, June 26, 2008, at 4:30 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Jelinek (C), Brown and Switalski

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Human Services (HB 5814) submitted the following:  
Meeting held on Friday, June 27, 2008, at 8:00 a.m., Room 426, Capitol Building  
Present: Senators Kahn, Hardiman and Scott

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Corrections (SB 1095) submitted the following:  
Meeting held on Friday, June 27, 2008, at 8:45 a.m., Room 110, Farnum Building  
Present: Senators Cropsey (C), Kahn and Brater

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Higher Education (SB 1099) submitted the following:  
Meeting held on Friday, June 27, 2008, at 8:55 a.m., Senate Appropriations Room, 3rd Floor Capitol Building  
Present: Senators Stamas (C), George and Barcia

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Environmental Quality (SB 1097) submitted the following:  
Meeting held on Friday, June 27, 2008, at 9:00 a.m., Rooms 402 and 403, Capitol Building  
Present: Senators Garcia (C), Cropsey and Brater

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Community Colleges (SB 1093) submitted the following:  
Meeting held on Friday, June 27, 2008, at 9:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Hardiman (C), Garcia and Clark-Coleman



**COMMITTEE ATTENDANCE REPORT**

The Conference Committee on Capital Outlay (SB 511) submitted the following:

Meeting held on Friday, June 27, 2008, at 9:45 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators McManus (C), Jelinek and Switalski

**Scheduled Meetings**

**Commerce and Tourism** - Saturday, June 28, 8:00 a.m., Room 100, Farnum Building (373-2413) (CANCELED)

Senator Cropsey moved that the Senate adjourn.

The motion prevailed, the time being 11:58 p.m.

In pursuance of the order previously made, the President, Lieutenant Governor Cherry, declared the Senate adjourned until Saturday, June 28, 2008, at 12:01 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate

