

No. 36
STATE OF MICHIGAN
Journal of the Senate
94th Legislature
REGULAR SESSION OF 2008

Senate Chamber, Lansing, Thursday, April 17, 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—present

Pastor Bernie Groendyke of Resurrection Life Church of Grand Haven offered the following invocation:

Father, we come to You in the name of Jesus and we ask, God, like Solomon, for understanding hearts that we may govern this great state and these great people. Lord, grant to this Senate, Lord, an understanding heart to know the times, an understanding of our economy, and an understanding of how to take this great state and return it to its greatness. So we pray for understanding.

We pray for restoration and recovery of our state and the blessing of God upon these, Your elected delegates. In Jesus' name. Amen.

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

Motions and Communications

Senators Kuipers, Sanborn, Schauer, Patterson, Kahn, Gilbert, McManus and Garcia entered the Senate Chamber.

Senator Thomas moved that Senators Barcia, Brater and Hunter be temporarily excused from today's session. The motion prevailed.

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.

The following communication was received:

Department of Treasury

April 15, 2008

Please find attached one copy of the Principal Residence Exemption Compliance Program Quarterly Report for the period January 1, 2008 through March 31, 2008. The report is required by Public Act 127 of 2007, the General Government Appropriations Act. Section 947 of the Act provides, in part, as follows:

(1) Of the \$5,267,400.00 included in part 1 for the revenue enhancement program, \$4,767,400.00 shall be used for revenue collection enhancement activities including auditing functions.

(3) The \$500,000.00 balance of the \$5,267,400.00 shall be used for the principal residence exemption compliance program. Along with other program costs, expenditures shall include the development of a statewide web-based database created for the purpose of enforcing the principal residence exemption compliance program. The department shall submit quarterly progress reports that include the number of exemptions denied and the revenue received under this program. The legislative auditor general shall complete a performance audit of the principal residence exemption compliance program prior to April 1, 2008. Revenue generated to the state from the principal residence exemption compliance program shall be used to reimburse the state general fund for the \$500,000.00 appropriation prior to any other allocation. Additional funds from the revenue enhancement program and carry-forward appropriations may be used to support costs in excess of \$500,000.00.

Sincerely,
Frederick Headen, Director
Bureau of Local Government Services

The communication was referred to the Secretary for record.

The Secretary announced that the following House bills were received in the Senate and filed on Wednesday, April 16:
House Bill Nos. 4490 4491 4993 5206 5963 5984

The Secretary announced that the following official bills were printed on Wednesday, April 16, and are available at the legislative website:

Senate Bill Nos. 1248 1249 1250 1251 1252 1253 1254 1255
House Bill Nos. 5985 5986 5987 5988 5989

Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 10:12 a.m.

11:47 a.m.

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

During the recess, Senators Brater, Barcia and Hunter entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of
Messages from the House

Senator Cropsey moved that the following bill be placed at the head of the Messages from the House calendar:

House Bill No. 5600

The motion prevailed.

House Bill No. 5600, entitled

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending sections 4, 8a, and 12 (MCL 125.2684, 125.2688a, and 125.2692), section 4 as amended by 2006 PA 440, section 8a as amended by 2006 PA 476, and section 12 as amended by 2002 PA 745.

(For text of amendments, see Senate Journal No. 35, p. 677.)

The question being on concurring in the House amendments made to the Senate substitute,

The amendments were concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 236

Yeas—37

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

Nays—0

Excused—0

Not Voting—1

Garcia

In The Chair: Richardville

The Senate agreed to the title as amended.

Senator Cropsey moved that Senator Garcia be temporarily excused from the balance of today's session.

The motion prevailed.

Senate Bill No. 120, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," (MCL 400.1 to 400.119b) by adding section 14j.

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. 885, entitled

A bill to amend 1996 PA 376, entitled "An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials," by amending sections 3, 8d, 8e, 9, and 10 (MCL 125.2683, 125.2688d, 125.2688e, 125.2689, and 125.2690), section 3 as amended by 2006 PA 304, section 8d as amended by 2006 PA 93, section 8e as added by 2006 PA 270, and sections 9 and 10 as amended by 2007 PA 186.

The House of Representatives has concurred in the Senate amendment to the House substitute (H-3) and agreed to the title amended.

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

Senator Garcia entered the Senate Chamber.

Senate Bill No. 1223, entitled

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," (MCL 125.2001 to 125.2094) by adding chapter 8B.

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 1984 PA 270, entitled "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," (MCL 125.2001 to 125.2094) by adding sections 89b, 89c, and 89d.

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. 237**Yeas—38**

| | | | |
|----------|---------------|---------|--------------|
| Allen | Clark-Coleman | Jansen | Richardville |
| Anderson | Clarke | Jelinek | Sanborn |
| Barcia | Cropsey | Kahn | Schauer |
| Basham | Garcia | Kuipers | Scott |
| Birkholz | George | McManus | Stamas |
| Bishop | Gilbert | Olshove | Switalski |

Brater
Brown
Cassis
Cherry

Gleason
Hardiman
Hunter
Jacobs

Pappageorge
Patterson
Prusi

Thomas
Van Woerkom
Whitmer

Nays—0

Excused—0

Not Voting—0

In The Chair: Richardville

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. 1224, entitled

A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending sections 7 and 8 (MCL 12.257 and 12.258), section 7 as amended by 2007 PA 50 and section 8 as added by 2005 PA 232.

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 2000 PA 489, entitled "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," by amending section 7 (MCL 12.257), as amended by 2007 PA 50.

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. 238

Yeas—38

Allen
Anderson
Barcia
Basham
Birkholz
Bishop
Brater
Brown

Clark-Coleman
Clarke
Cropsey
Garcia
George
Gilbert
Gleason
Hardiman

Jansen
Jelinek
Kahn
Kuipers
McManus
Olshove
Pappageorge
Patterson

Richardville
Sanborn
Schauer
Scott
Stamas
Switalski
Thomas
Van Woerkom

Cassis
Cherry

Hunter
Jacobs

Prusi

Whitmer

Nays—0

Excused—0

Not Voting—0

In The Chair: Richardville

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.

House Bill No. 5865, entitled

A bill to amend 1984 PA 270, entitled “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,” (MCL 125.2001 to 125.2094) by adding chapter 8B.

The House of Representatives has amended the Senate substitute (S-1) as follows:

1. Amend page 2, line 8, after “**HUNTING-RELATED,**” by inserting “**MOTOR SPORTS ENTERTAINMENT-RELATED,**”.

The House of Representatives has concurred in the Senate substitute (S-1) as amended and agreed to 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 House amendment made to the Senate substitute,

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

Roll Call No. 239

Yeas—38

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
Whitmer

Nays—0

Excused—0

Not Voting—0

In The Chair: Richardville

By unanimous consent the Senate proceeded to the order of
Third Reading of Bills

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

Senate Bill No. 1126

Senate Bill No. 1128

Senate Bill No. 1129

Senate Bill No. 1130

Senate Bill No. 1132

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 1126, entitled

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

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. 240

Yeas—38

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

Nays—0

Excused—0

Not Voting—0

In The Chair: Richardville

The Senate agreed to the title of the bill.

Senators Schauer, George, Thomas and Richardville asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Schauer's statement is as follows:

It is with regret but also with pride that we say farewell to one of our outstanding policy analysts. Senator Thomas and I would like to honor and recognize Kathleen Johnston-Calati, who has been with us for six years as a policy analyst primarily responsible for Community Health, mental health, Department of History, Arts, and Libraries, and caucus labor-related issues.

We are excited for Kathleen's future. She told me—and I believe for her—it was a very hard decision, but she will be accepting a position as government affairs director with CareSource Michigan, which is a health maintenance group that is one of our Medicaid HMOs. Kathleen has special warmth and style and commitment—certainly exemplifies the commitment of service to the people of the state of Michigan that we all have. She has been a hardworking, dedicated member of our team, and we all want to join in giving her a very special thank you.

We are going to miss you. I hope you come back and see us, and thank you for continuing to serve the great people of our state.

Senator George's statement is as follows:

I just wanted to comment that I had the pleasure of working with Ms. Calati on two of my committees, where she served as our policy staff, Health Policy and History, Arts, and Libraries, and she did a great job. I enjoyed working with her as well. She helped ensure that the products of our committee work were for the best for the people of the state of Michigan.

So thank you as well, Kathleen.

Senator Thomas' statement is as follows:

Well, I just want to say that in addition to excellent policy work, Kathleen has always been one of those folks who always has a little special word of pick-me-up whenever you are not looking right. That and her smile and infectious enthusiasm and hard dedication to all of Michigan are really going to be missed.

We thank you so very much.

Senator Richardville's statement is as follows:

It is with a bittersweet feeling that I say good-bye to Megan Noland. Megan is an intern who has been working in my office and also from the great city of Monroe, Michigan. She also attends the University of Michigan and is a proud Wolverine. She has served our office in an exemplary of manner, and we hate to see her go, but we will wish her all the best. She is a fine young lady.

Would all of you please help me to wish Megan a pleasant good future.

The following bill was read a third time:

Senate Bill No. 1128, entitled

A bill to provide for the publication of certain information regarding the establishing of alternative fuels facilities in this state; to provide for certain powers and duties for certain state agencies; and to make available to the public certain information.

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. 241

Yeas—38

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

Nays—0

Excused—0

Not Voting—0

In The Chair: Richardville

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1129, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 811e (MCL 257.811e), as amended by 2006 PA 562, and by adding section 811r.

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. 242

Yeas—29

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

Nays—9

| | | | |
|---------------|--------|---------|-----------|
| Basham | Jacobs | Schauer | Switalski |
| Brater | Prusi | Scott | Whitmer |
| Clark-Coleman | | | |

Excused—0

Not Voting—0

In The Chair: Richardville

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1130, entitled

A bill to amend 1984 PA 44, entitled "Motor fuels quality act," (MCL 290.641 to 290.650d) by adding section 5a.

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. 243**Yeas—38**

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

Nays—0**Excused—0****Not Voting—0**

In The Chair: Richardville

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1132, entitled

A bill to amend 2006 PA 272, entitled “Renewable fuels commission act,” by amending sections 3 and 6 (MCL 290.583 and 290.586).

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. 244**Yeas—38**

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

Nays—0**Excused—0**

Not Voting—0

In The Chair: Richardville

The Senate agreed to the title of the bill.

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 pro tempore, Senator Richardville, designated Senator Allen as Chairperson.

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

Senate Bill No. 1198, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending sections 417 and 441 (MCL 208.1417 and 208.1441).

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

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

Senate Bill No. 1217, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 113 (MCL 208.1113), as amended by 2007 PA 145.

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. 1201, entitled

A bill to allow certain active duty service members to terminate contracts with wireless telecommunications providers; to provide for the rights and responsibilities of the parties to those terminated contracts; to provide for the powers and duties of certain state officials; to prescribe civil sanctions and provide remedies; and to provide for the disposition of civil fines.

Substitute (S-1).

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

1. Amend page 3, following line 25, by inserting:

"Sec. 7. This act does not apply to prepaid wireless telecommunication services."

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. 1078, entitled

A bill to amend 1947 PA 359, entitled "The charter township act," by amending section 34 (MCL 42.34), as amended by 2003 PA 300.

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.

Resolutions

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

Senate Concurrent Resolution No. 22

Senate Resolution No. 154**Senate Concurrent Resolution No. 27**

The motion prevailed.

The question was placed on the adoption of the following resolution consent calendar:

Senate Resolution No. 173

The resolution consent calendar was adopted.

Senators Garcia, Gleason, Anderson, Cropsey, Schauer and Jansen offered the following resolution:

Senate Resolution No. 173.

A resolution recognizing April 2008 as the Month of the Military Child in the state of Michigan.

Whereas, Thousands of brave Americans have demonstrated their courage and commitment to freedom by serving the Armed Forces of the United States of America in active duty posts in Afghanistan, Iraq, and around the world; and

Whereas, More than 40 percent of these soldiers, sailors, airmen, and Marines have left behind families with children; and

Whereas, More than one million of America's children have at least one parent currently serving active military duty; and

Whereas, These children are a source of pride and honor to us all, and it is only fitting that we take time to recognize their contributions, celebrate their spirit, and let our men and women in uniform know that while they're taking care of us, we're taking care of their children; and

Whereas, The recognition of the Month of the Military Child will allow us to pay tribute to military children for their commitment, their struggles, and their unconditional support of our troops because when parents serve in the military, their kids serve too; and

Whereas, A monthlong salute to military children will encourage support for Kids Serve Too and other organizations and campaigns established to provide direct support to military children and families; now, therefore, be it

Resolved by the Senate, That the members of this legislative body recognize April 2008 as the Month of the Military Child in Michigan; and be it further

Resolved, That we encourage all citizens to observe the month with appropriate ceremonies and activities that honor, support, and thank military children.

Senators Cherry, Clarke, Hardiman, Jacobs, Kuipers, Pappageorge, Richardville and Switalski were named co-sponsors of the resolution.

Senate Resolution No. 156.

A resolution to encourage the Office of Financial and Insurance Regulation to work cooperatively with all stakeholders to facilitate the offering of insurance discounts for alternative energy vehicles in Michigan.

The question being on the adoption of the resolution,

The resolution was adopted.

Senators Birkholz, Richardville, Kahn, Pappageorge, Jansen, Gilbert, Jelinek, Kuipers, Hardiman, McManus and Allen offered the following resolution:

Senate Resolution No. 174.

A resolution to express support for the designation of the Beaver Basin Wilderness Area at the Pictured Rocks National Lakeshore.

Whereas, The Pictured Rocks National Lakeshore running along Lake Superior between Grand Marais and Munising is a treasure for our state and nation. Our country's first national lakeshore, Pictured Rocks is a unique outdoors resource due to its varied geological features, spectacular scenery, and the unsurpassed range of experiences it offers visitors. Its facilities include well-developed areas open to cars, motor boats, and snowmobiles; areas where sustained yield lumbering takes place; several levels of camping; hunting and fishing; and opportunities for solitude and a rugged outdoor challenge; and

Whereas, As a key element of the management plan developed with strong public participation over several years, the proposal for the formal designation of the Beaver Basin Wilderness Area will provide a permanent legal protection for 11,740 acres. The new status, however, will not reduce public access or increase restrictions elsewhere at Pictured Rocks. In fact, other parts of implementing the management plan have increased access elsewhere; and

Whereas, The Pictured Rocks National Lakeshore attracts more than 425,000 visitors every year and generates approximately \$20 million in economic activity for the region. Clearly, with the designation of the Beaver Basin Wilderness Area, this treasure will long continue to enhance lives and solidify Michigan's heritage of respecting and protecting our natural resources and using them in a reasonable and responsible manner; now, therefore, be it

Resolved by the Senate, That we express our support for the designation of the Beaver Basin Wilderness Area at the Pictured Rocks National Lakeshore; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, and the National Park Service.

Pending the order that, under rule 3.204, the 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 question being on the adoption of the resolution,

Senator Cropsey moved that the resolution be referred to the Committee on Natural Resources and Environmental Affairs.

The motion prevailed.

Senators Anderson, Cherry, Clarke, Gleason, Jacobs and Switalski were named co-sponsors of the resolution.

Introduction and Referral of Bills

Senators Birkholz, Richardville, Hardiman, Pappageorge, Allen, Jansen, Kahn, Gilbert and Jelinek introduced **Senate Joint Resolution M, entitled**

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 35 of article IX, to increase the allowable annual expenditures from the Michigan natural resources trust fund and to authorize the issuance of bonds and notes for the purposes of the Michigan natural resources trust fund.

The joint resolution was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senators Kahn, Gilbert, Cassis, McManus, Van Woerkom, Jelinek, Stamas, Pappageorge and Richardville introduced **Senate Bill No. 1256, entitled**

A bill 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).

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

Senators Richardville, Birkholz, Hardiman, Pappageorge, Allen, Jansen, Kahn, Gilbert and Jelinek introduced **Senate Bill No. 1257, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 1901 and 1903 (MCL 324.1901 and 324.1903), section 1901 as added by 1995 PA 60 and section 1903 as amended by 2002 PA 52, and by adding sections 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, and 1928.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senators Garcia, Gleason and Anderson introduced **Senate Bill No. 1258, entitled**

A bill to amend 1988 PA 426, entitled "An act to regulate dangerous animals; to provide for the confinement, tattooing, or destruction of dangerous animals; and to provide penalties for the owners or keepers of dangerous animals that attack human beings," by amending section 3 (MCL 287.323).

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

Senators Garcia, Gleason and Anderson introduced **Senate Bill No. 1259, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 12m of chapter XVII (MCL 777.12m), as amended by 2005 PA 54.

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

Senators Garcia, Gleason, Anderson and Cropsey introduced

Senate Bill No. 1260, entitled

A bill to amend 1939 PA 73, entitled "An act providing for the recovery of damages by persons bitten by dogs; and creating a liability of the owners of such dogs," by amending the title and section 1 (MCL 287.351), section 1 as amended by 1988 PA 142.

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

Senators Garcia, Gleason, Cropsey and Prusi introduced

Senate Bill No. 1261, entitled

A bill to amend 2006 PA 317, entitled "An act to create certain centers in the Michigan strategic fund; to impose certain duties and responsibilities on those centers and on certain state employees and public employees; and to repeal acts and parts of acts," by amending section 2 (MCL 125.1972).

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

Senators Garcia, Gleason, Cropsey and Prusi introduced

Senate Bill No. 1262, entitled

A bill to amend 1846 RS 171, entitled "Of county jails and the regulation thereof," by amending sections 4 and 4a (MCL 801.4 and 801.4a), as amended by 2006 PA 20.

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

Senator McManus introduced

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 bill was read a first and second time by title and referred to the Committee on Campaign and Election Oversight.

Senators Richardville and Brown introduced

Senate Bill No. 1264, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 409 (MCL 208.1409), as amended by 2007 PA 145.

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

Senators Switalski, Gleason, Kahn, Stamas, Allen and Barcia introduced

Senate Bill No. 1265, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432. The bill was read a first and second time by title and referred to the Committee on Commerce and Tourism.

Senators Gleason, Kahn, Stamas, Allen, Barcia and Switalski introduced

Senate Bill No. 1266, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432a. The bill was read a first and second time by title and referred to the Committee on Commerce and Tourism.

Senators Stamas, Kahn, Barcia, Allen, Switalski and Gleason introduced

Senate Bill No. 1267, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432b. The bill was read a first and second time by title and referred to the Committee on Commerce and Tourism.

Senators Barcia, Kahn, Allen, Stamas, Switalski and Gleason introduced

Senate Bill No. 1268, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432c. The bill was read a first and second time by title and referred to the Committee on Commerce and Tourism.

Senators Allen, Kahn, Barcia, Stamas, Switalski and Gleason introduced

Senate Bill No. 1269, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432d. The bill was read a first and second time by title and referred to the Committee on Commerce and Tourism.

Senators Kahn, Allen, Stamas, Barcia, Switalski and Gleason introduced

Senate Bill No. 1270, entitled

A bill to amend 1995 PA 24, entitled "Michigan economic growth authority act," by amending section 6 (MCL 207.806), as amended by 2007 PA 150.

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

Recess

Senator Cropsey moved that the Senate recess until 1:30 p.m.

The motion prevailed, the time being 12:41 p.m.

The Senate reconvened at the expiration of the recess and pursuant to rule 1.101, in the absence of the Presiding Officers, the Senate was called to order by the Secretary of the Senate.

Recess

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

The motion prevailed, the time being 1:32 p.m.

2:28 p.m.

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

By unanimous consent the Senate returned to the order of

Messages from the House

Senate Bill No. 1187, entitled

A bill to amend 1995 PA 24, entitled "Michigan economic growth authority act," by amending sections 3 and 5 (MCL 207.803 and 207.805), section 3 as amended by 2008 PA 87 and section 5 as amended by 2003 PA 248.

The House of Representatives has concurred in the Senate substitute (S-5) to the House substitute (H-1), pursuant to Joint Rule 20, inserted the full title, and agreed to the title as amended.

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. 1188, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 431b. 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. 1189, entitled

A bill to amend 1995 PA 24, entitled "Michigan economic growth authority act," by amending sections 6 and 8 (MCL 207.806 and 207.808), section 6 as amended by 2007 PA 150 and section 8 as amended by 2007 PA 62.

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. 1190, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 431 (MCL 208.1431).
 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 proceeded to the order of

Conference Reports

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

House Bill No. 5531

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

House Bill No. 5531, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11, 11j, 22a, 22b, 22d, 51a, 51c, 56, 62, and 104 (MCL 388.1611, 388.1611j, 388.1622a, 388.1622b, 388.1622d, 388.1651a, 388.1651c, 388.1656, 388.1662, and 388.1704), as amended by 2007 PA 137, and by adding sections 32e, 54c, 99n, and 99p.
 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. 5531, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11, 11j, 22a, 22b, 22d, 32b, 32c, 51a, 51c, 99c, and 104 (MCL 388.1611, 388.1611j, 388.1622a, 388.1622b, 388.1622d, 388.1632b, 388.1632c, 388.1651a, 388.1651c, 388.1699c, and 388.1704), as amended by 2007 PA 137, and by adding sections 31h, 32e, 54c, 99h, 99m, 99n, and 99p.

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 amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11, 11j, 22a, 22b, 22d, 51a, 51c, 56, 62, and 104 (MCL 388.1611, 388.1611j, 388.1622a, 388.1622b, 388.1622d, 388.1651a, 388.1651c, 388.1656, 388.1662, and 388.1704), as amended by 2007 PA 137, and by adding sections 32e, 54c, 99n, and 99p.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 11. (1) For the fiscal year ending September 30, 2008, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$11,493,064,200.00 ~~\$11,493,064,200.00~~ **\$11,386,866,600.00** from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of \$34,909,600.00 from the general fund. In addition, available federal funds are appropriated for the fiscal year ending September 30, 2008.

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that

fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 56 shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the other sections of this act from all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(4) If proration is necessary under subsection (3), the department shall calculate the proration in district and intermediate district payments that is required under subsection (3) as follows:

(a) The department shall calculate the percentage of total state school aid allocated under this act for the affected fiscal year for each of the following:

(i) Districts.

(ii) Intermediate districts.

(iii) Entities other than districts or intermediate districts.

(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(i) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, and 53a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(iii) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.

(5) Except for the allocation under section 26a, any general fund allocations under this act that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed ~~\$1,900,000.00~~ **\$3,900,000.00** for 2007-2008 for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 11 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$6,012,000,000.00~~ **\$5,951,000,000.00** for 2007-2008 for payments to districts, qualifying university schools, and qualifying public school academies to guarantee each district, qualifying university school, and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) To ensure that a district receives an amount equal to the district's 1994-95 total state and local per pupil revenue for school operating purposes, there is allocated to each district a state portion of the district's 1994-95 foundation allowance in an amount calculated as follows:

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or \$6,500.00, whichever is less, minus the difference

between the product of the taxable value per membership pupil of all property in the district that is not a homestead or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899, divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus \$6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899, divided by the district's membership.

(3) Beginning in 2003-2004, for pupils in membership in a qualifying public school academy or qualifying university school, there is allocated under this section to the authorizing body that is the fiscal agent for the qualifying public school academy for forwarding to the qualifying public school academy, or to the board of the public university operating the qualifying university school, an amount equal to the 1994-95 per pupil payment to the qualifying public school academy or qualifying university school under section 20.

(4) A district, qualifying university school, or qualifying public school academy may use funds allocated under this section in conjunction with any federal funds for which the district, qualifying university school, or qualifying public school academy otherwise would be eligible.

(5) For a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance.

(6) As used in this section:

(a) "1994-95 foundation allowance" means a district's 1994-95 foundation allowance calculated and certified by the department of treasury or the superintendent under former section 20a as enacted in 1993 PA 336 and as amended by 1994 PA 283.

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

(c) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's current year taxable value per membership pupil.

(d) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than \$6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead and qualified agricultural property could be reduced as provided in section 1211(1) of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year.

(e) "Homestead" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

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

(g) "Qualified agricultural property" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

(h) "Qualifying public school academy" means a public school academy that was in operation in the 1994-95 school year and is in operation in the current state fiscal year.

(i) "Qualifying university school" means a university school that was in operation in the 1994-95 school year and is in operation in the current fiscal year.

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

(k) "Taxable value per membership pupil" means each of the following divided by the district's membership:

(i) For the number of mills by which the exemption from the levy of school operating taxes on a homestead and qualified agricultural property may be reduced as provided in section 1211(1) of the revised school code, MCL 380.1211, the taxable value of homestead and qualified agricultural property for the calendar year ending in the current state fiscal year.

(ii) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal year.

Sec. 22b. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$3,722,000,000.00 **\$3,683,275,000.00** for 2007-2008 for discretionary nonmandated payments to districts under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) Subject to subsection (3) and section 11, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 20j, 51a(2), 51a(3), and 51a(12), minus the sum of the allocations to the district under sections 22a and 51c.

(3) In order to receive an allocation under this section, each district shall do all of the following:

(a) Administer in each grade level that it operates in grades 1 to 5 a standardized assessment approved by the department of grade-appropriate basic educational skills. A district may use the Michigan literacy progress profile to satisfy this requirement for grades 1 to 3. Also, if the revised school code is amended to require annual assessments at additional grade levels, in order to receive an allocation under this section each district shall comply with that requirement.

(b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(c) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(d) Comply with section 1230g of the revised school code, MCL 380.1230g.

(4) Districts are encouraged to use funds allocated under this section for the purchase and support of payroll, human resources, and other business function software that is compatible with that of the intermediate district in which the district is located and with other districts located within that intermediate district.

(5) From the allocation in subsection (1), the department shall pay up to \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1 or more districts or intermediate districts against this state. If the allocation under this section is insufficient to fully fund all payments required under this section, the payments under this subsection shall be made in full before any proration of remaining payments under this section.

(6) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, and 51c. If a claim is made by an entity receiving funds under this act that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (2). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.

(7) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (6) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (2).

(8) If a claim is made in court that challenges the legislative determination of the adequacy of funding for this state's constitutional obligations or alleges that there exists an unfunded constitutional requirement, any interested party may seek an expedited review of the claim by the local claims review board. If the claim exceeds \$10,000,000.00, this state may remove the action to the court of appeals, and the court of appeals shall have and shall exercise jurisdiction over the claim.

(9) If payments resulting from a final determination by the local claims review board or a court of competent jurisdiction that there has been a violation of section 29 of article IX of the state constitution of 1963 exceed the amount allocated for discretionary nonmandated payments under this section, the legislature shall provide for adequate funding for this state's constitutional obligations at its next legislative session.

(10) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated

under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

(11) From the allocation in subsection (1), there is allocated for 2007-2008 only an amount not to exceed \$40,000.00 for payment to a district that meets all of the following:

(a) Had a membership of less than 900 pupils for 2006-2007.

(b) Is located in an intermediate district that had a taxable value per membership pupil, as defined in section 22a, of greater than \$290,000.00 for 2006-2007.

(c) The school electors of the district voted in the affirmative on May 8, 2007 to restore a millage reduction required under section 31 of article IX of the state constitution of 1963, but the district was later found to have an incorrect millage reduction fraction as defined in section 34d of the general property tax act, 1893 PA 206, MCL 211.34d.

Sec. 22d. (1) From the amount allocated under section 22b, an amount not to exceed ~~\$750,000.00~~ **\$2,025,000.00** is allocated for 2007-2008 for additional payments to small, geographically isolated districts under this section.

~~(2) To be eligible for a payment under this section, a district shall meet~~ **FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2007-2008 AN AMOUNT NOT TO EXCEED \$750,000.00 FOR PAYMENTS UNDER THIS SUBSECTION TO DISTRICTS THAT MEET** all of the following:

(a) Operates grades K to 12.

(b) Has fewer than 250 pupils in membership.

(c) Each school building operated by the district meets at least 1 of the following:

(i) Is located in the Upper Peninsula at least 30 miles from any other public school building.

(ii) Is located on an island that is not accessible by bridge.

(3) The amount of the additional funding to each eligible district under ~~this section~~ **SUBSECTION (2)** shall be determined under a spending plan developed as provided in this subsection and approved by the superintendent of public instruction. The spending plan shall be developed cooperatively by the intermediate superintendents of each intermediate district in which an eligible district is located. The intermediate superintendents shall review the financial situation of each eligible district, determine the minimum essential financial needs of each eligible district, and develop and agree on a spending plan that distributes the available funding under ~~this section~~ **SUBSECTION (2)** to the eligible districts based on those financial needs. The intermediate superintendents shall submit the spending plan to the superintendent of public instruction for approval. Upon approval by the superintendent of public instruction, the amounts specified for each eligible district under the spending plan are allocated under ~~this section~~ **SUBSECTION (2)** and shall be paid to the eligible districts in the same manner as payments under section 22b.

(4) SUBJECT TO SUBSECTION (6), FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED FOR 2007-2008 AN AMOUNT NOT TO EXCEED \$1,275,000.00 FOR PAYMENTS UNDER THIS SUBSECTION TO DISTRICTS THAT MEET ALL OF THE FOLLOWING:

(A) THE DISTRICT HAS 5.0 OR FEWER PUPILS PER SQUARE MILE AS DETERMINED BY THE DEPARTMENT.

(B) THE DISTRICT HAS A TOTAL SQUARE MILEAGE GREATER THAN 200.0 OR IS 1 OF 2 DISTRICTS THAT HAVE CONSOLIDATED TRANSPORTATION SERVICES AND HAVE A COMBINED TOTAL SQUARE MILEAGE GREATER THAN 200.0.

(5) THE FUNDS ALLOCATED UNDER SUBSECTION (4) SHALL BE ALLOCATED ON AN EQUAL PER PUPIL BASIS.

(6) A DISTRICT RECEIVING FUNDS ALLOCATED UNDER SUBSECTION (2) IS NOT ELIGIBLE FOR FUNDING ALLOCATED UNDER SUBSECTION (4).

SEC. 32E. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$4,700,000.00 FOR 2007-2008 TO DISTRICTS ELIGIBLE TO RECEIVE FUNDING UNDER SECTION 32D. THE FUNDING UNDER THIS SECTION SHALL BE DISTRIBUTED AMONG DISTRICTS IN DECREASING ORDER OF CONCENTRATION OF ELIGIBLE CHILDREN AS DETERMINED BY SECTION 38. THE AMOUNT DISTRIBUTED TO EACH DISTRICT UNDER THIS SECTION SHALL BE AN AMOUNT EQUAL TO THE NUMBER OF CHILDREN THE DISTRICT SERVED UNDER SECTION 32D IN 2006-2007 OR THE NUMBER OF CHILDREN THE DISTRICT INDICATES IT WILL BE ABLE TO SERVE UNDER SECTION 37(2)(C) IN 2007-2008, WHICHEVER IS LESS, MINUS THE NUMBER OF CHILDREN FOR WHICH THE DISTRICT HAS PREVIOUSLY RECEIVED FUNDING IN 2007-2008 AS DETERMINED BY THE DEPARTMENT, MULTIPLIED BY \$3,400.00. HOWEVER, A DISTRICT IS NOT REQUIRED TO RETURN PREVIOUSLY ALLOCATED FUNDING TO THE SCHOOL AID FUND IN 2007-2008 AS A RESULT OF THIS CALCULATION.

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2007-2008 an amount not to exceed ~~\$1,006,483,000.00~~ **\$990,483,000.00** from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at \$350,700,000.00, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated for 2007-2008 the amount necessary, estimated at ~~\$215,900,000.00~~ **\$216,500,000.00**, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (12), times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (12), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2).

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated for 2007-2008 the amount necessary, estimated at \$1,500,000.00, to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this act for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed \$3,500,000.00 may be allocated by the department for 2007-2008 to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed \$2,200,000.00 for 2007-2008 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of this article, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this act. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for 2006-2007 that the amounts allocated for 2006-2007 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will exceed expenditures for 2006-2007 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for 2006-2007 only, for a district or intermediate district whose reimbursement for 2006-2007 would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education pupil transportation service from a constituent district that was previously purchased from a private entity; if the purchase from the constituent district is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the intermediate district to the constituent does not result in any net change in the revenue the constituent district receives from payments under sections 22b and 51c, then upon application by the intermediate district, the department shall direct the intermediate district to continue to report the cost associated with the specific identified special education pupil transportation service and shall adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(8) From the allocation in subsection (1), there is allocated for 2007-2008 an amount not to exceed \$15,313,900.00 to intermediate districts. The payment under this subsection to each intermediate district shall be equal to the amount of the 1996-97 allocation to the intermediate district under subsection (6) of this section as in effect for 1996-97.

(9) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(10) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(11) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(12) From the funds allocated in subsection (1), there is allocated for 2007-2008 the amount necessary, estimated at ~~\$6,600,000.00~~ **\$7,600,000.00**, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil under section 20(6). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2). This subsection applies to all of the following pupils:

- (a) Pupils described in section 53a.
- (b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.
- (c) Emotionally impaired pupils counted in membership by an intermediate district and provided educational services by the department of community health.

(13) After payments under subsections (2) and (12) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

- (a) 100% of the reimbursement required under section 53a.
- (b) 100% of the reimbursement required under subsection (6).
- (c) 100% of the payment required under section 54.
- (d) 100% of the payment required under subsection (3).
- (e) 100% of the payment required under subsection (8).
- (f) 100% of the payments under section 56.

(14) The allocations under subsection (2), subsection (3), and subsection (12) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated for 2007-2008 the amount necessary, estimated at ~~\$713,600,000.00~~ **\$696,000,000.00**, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

SEC. 54C. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED \$80,000.00 FOR THE DEPARTMENT TO MAKE NEWSLINE AVAILABLE ELECTRONICALLY ON A STATEWIDE BASIS FOR PERSONS WHO ARE VISUALLY IMPAIRED.

Sec. 56. (1) For the purposes of this section:

- (a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.
- (b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service obligations.
- (c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed \$36,881,100.00 for 2007-2008 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in 2006-2007 shall be made in 2007-2008 at an amount per 2006-2007 membership pupil computed by subtracting from ~~\$161,400.00~~ **\$161,800.00** the 2006-2007 taxable value behind each membership pupil and multiplying the resulting difference by the 2006-2007 millage levied.

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district or the total membership for the immediately preceding fiscal year of the area vocational-technical program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(i) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(ii) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$9,000,000.00 for 2007-2008 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 2006-2007 shall be made in 2007-2008 at an amount per 2006-2007 membership pupil computed by subtracting from ~~\$171,200.00~~ **\$171,300.00** the 2006-2007 taxable value behind each membership pupil and multiplying the resulting difference by the 2006-2007 millage levied.

SEC. 99N. (1) IT IS THE INTENT OF THE LEGISLATURE TO FUND FOR 2008-2009 COMPETITIVE GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS THAT ENTER INTO COOPERATIVE ARRANGEMENTS WITH A COMMUNITY COLLEGE TO ESTABLISH PROGRAMS TO ALLOW PUPILS TO EARN COMMUNITY COLLEGE CREDIT WHILE ENROLLED IN MIDDLE SCHOOL OR HIGH SCHOOL.

(2) IT IS THE INTENT OF THE LEGISLATURE THAT A DISTRICT THAT FORMERLY OPERATED A COMMUNITY COLLEGE PROGRAM AND THAT CEASED TO OPERATE THAT PROGRAM AFTER 1995 SHALL BE MERGED WITH A COMMUNITY COLLEGE DISTRICT LOCATED IN A CITY WITH A POPULATION OF MORE THAN 750,000.

SEC. 99P. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000.00 FOR 2007-2008 FOR COMPETITIVE GRANTS TO DISTRICTS FOR PROGRAMS THAT PROVIDE PUPILS WITH ACCESS TO CULTURAL, ART, OR MUSIC RESOURCES AND EXPERIENCES THAT ARE AVAILABLE IN THE COMMUNITY AND THAT MAY PROMOTE READING, LITERACY, AND COMMUNICATIONS SKILLS AMONG PUPILS.

(2) A DISTRICT APPLYING FOR A GRANT SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL DEMONSTRATE IN ITS APPLICATION THAT AT LEAST 50% OF THE PUPILS IN MEMBERSHIP IN THE DISTRICT MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK, AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT AND AS REPORTED TO THE DEPARTMENT BY OCTOBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR AND ADJUSTED NOT LATER THAN DECEMBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

(3) GRANT AWARDS SHALL BE MADE IN A MANNER DETERMINED BY THE DEPARTMENT. HOWEVER, THE DEPARTMENT MAY SET MAXIMUM GRANT AMOUNTS IN A MANNER THAT MAXIMIZES THE NUMBER OF PUPILS THAT WILL BE ABLE TO PARTICIPATE.

(4) NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

Sec. 104. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2007-2008 an amount not to exceed ~~\$25,400,000.00~~ **\$29,322,400.00** for payments on behalf of districts for costs associated with complying with sections 104a and 104b, sections 1279, 1279g, and 1280b of the revised school code, MCL 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. In addition, from the federal funds appropriated in section 11, there is allocated for 2007-2008 an amount estimated at ~~\$8,800,000.00~~ **\$5,477,600.00**, funded from DED-OESE, title VI, state assessments funds **AND DED-OSERS, SECTION 504 OF PART B OF THE INDIVIDUALS**

WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 94-142, PLUS ANY CARRYOVER FEDERAL FUNDS FROM PREVIOUS YEAR APPROPRIATIONS, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

(2) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00.

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

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 11, 11j, 22a, 22b, 22d, 51a, 51c, 56, 62, and 104 (MCL 388.1611, 388.1611j, 388.1622a, 388.1622b, 388.1622d, 388.1651a, 388.1651c, 388.1656, 388.1662, and 388.1704), as amended by 2007 PA 137, and by adding sections 32e, 54c, 99n, and 99p.

George Cushingberry, Jr.
 Matt Gillard
 Daniel Acciavatti
 Conferees for the House

Ron Jelinek
 Cameron Brown
 Michael Switalski
 Conferees for the Senate

The question being on the adoption of the conference report,
 The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 245

Yeas—37

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

Nays—1

Cassis

Excused—0

Not Voting—0

In The Chair: Richardville

Protest

Senator Cassis, under her constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on House Bill No. 5531 and moved that the statement she made during the discussion of the conference report be printed as her reasons for voting “no.”

The motion prevailed.

Senator Cassis’ statement is as follows:

I rise because there is a program that is being deleted from this supplemental—an important program. Robotics, the FIRST Program, For Inspiration and Recognition in Science and Technology, just recently I was at the regional competition in Ypsilanti, Michigan. So I know just how engaging and how important this is for students in our area. In previous times, the Governor proposed a full \$1 million for this extremely important program. In the ’06-’07 budgets, \$300,000 actually was allocated. This term, now, right now, the \$300,000 has been totally eliminated.

Let me just read to you just something very important; this comes from the *Free Press*: “Hundreds of children, teams were leaving Michigan yesterday for the same meet in Atlanta for the FIRST Robotics International Competition Championship.”

So just how big is robotics in Michigan? It’s big enough that a regional competition draws hundreds of fans who paint their faces, dress in silly costumes, and really cheer on their teams. It’s big enough that the three Detroit automakers and other major companies sponsor these teams and mentor them. It’s big enough that the roar of the crowd while teams are going head-to-head is as loud as anything that you will find at any sporting event. It’s big enough that the Michigan teams have won national robotics prizes five times in the last six years. It’s big enough that only California has more robotics teams than Michigan. Robotics is so big that Detroit Public Schools are sending five high school teams. It’s big enough to realize that these kids are the hope for the future. It’s big enough, yes, but not supported by the Michigan Legislature—just when science and math are so critical to the future of this state and to the young people who are acquiring these skills.

I cannot support this budget with deleting this incredibly important, again proven, and promising program. In essence, by deleting it and putting it back to zero, it comes across negatively as nonsupport for the robotics program in the state of Michigan. I think that is a disgrace.

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

The motion prevailed.

Senator Switalski’s statement is as follows:

I agree with both of the previous speakers because I live by the wisdom of the great Sage Zvonko who says, “I love everybody.” So I would just say sometimes you have to try to get things in the bill that are good things and they don’t make it, but it is still a good bill. I would hope that members, even if they didn’t get everything they wanted in the bill, they would still vote for it.

I think I passed unanimously over in the House, and I would hope that my good friend would join me in trying to get FIRST Robotics in the ’09 budget and she would go ahead and vote for this today because it is a good bill.

I would hope that all members would support it.

House Bill No. 5344, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the judicial branch for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The House of Representatives has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

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

House Bill No. 5344, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Recommends:

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

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

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the judicial branch for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies and the judicial branch to supplement appropriations for the fiscal year ending September 30, 2008, from the following funds:

APPROPRIATION SUMMARY:

| | | | |
|--|------|----|-------------|
| Full-time equated classified positions | 21.0 | | |
| GROSS APPROPRIATION | | \$ | 143,936,500 |
| Total interdepartmental grants and intradepartmental transfers | | | 0 |
| ADJUSTED GROSS APPROPRIATION | | \$ | 143,936,500 |
| Total federal revenues..... | | | 72,642,000 |
| Total local revenues..... | | | 2,310,300 |
| Total private revenues..... | | | 0 |
| Total other state restricted revenues | | | 26,726,400 |
| State general fund/general purpose | | \$ | 42,257,800 |

Sec. 102. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

| | | | |
|--|--|----|-------------|
| GROSS APPROPRIATION | | \$ | 137,504,500 |
| Total interdepartmental grants and intradepartmental transfers | | | 0 |
| ADJUSTED GROSS APPROPRIATION | | \$ | 137,504,500 |
| Total federal revenues..... | | | 59,009,300 |
| Total local revenues..... | | | 1,198,400 |
| Total private revenues..... | | | 0 |
| Total other state restricted revenues | | | 41,206,400 |
| State general fund/general purpose | | \$ | 36,090,400 |

(2) MEDICAL SERVICES

| | | | |
|---|--|----|-------------|
| Hospital services and therapy..... | | \$ | 60,821,000 |
| Long-term care services | | | 360,000 |
| Health plan services | | | 40,383,900 |
| Subtotal basic medical services program | | | 101,564,900 |
| School-based services..... | | | 35,939,600 |
| Subtotal special medical services payments..... | | | 35,939,600 |
| GROSS APPROPRIATION | | \$ | 137,504,500 |

Appropriated from:

Federal revenues:

| | | | |
|-----------------------------|--|--|------------|
| Total federal revenues..... | | | 59,009,300 |
|-----------------------------|--|--|------------|

Special revenue funds:

| | | | |
|---|--|----|------------|
| Total local revenues..... | | | 1,198,400 |
| Total other state restricted revenues | | | 41,206,400 |
| State general fund/general purpose | | \$ | 36,090,400 |

Sec. 103. DEPARTMENT OF EDUCATION

(1) APPROPRIATION SUMMARY

| | | | |
|--|-----|----|-----------|
| Full-time equated classified positions | 6.0 | | |
| GROSS APPROPRIATION | | \$ | 3,322,400 |
| Total interdepartmental grants and intradepartmental transfers | | | 0 |
| ADJUSTED GROSS APPROPRIATION | | \$ | 3,322,400 |
| Total federal revenues..... | | | 3,322,400 |
| Total local revenues..... | | | 0 |
| Total private revenues..... | | | 0 |
| Total other state restricted revenues | | | 0 |
| State general fund/general purpose | | \$ | 0 |

| | For Fiscal Year Ending Sept. 30, 2008 |
|--|---|
| (2) EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY | |
| Full-time equated classified positions | 6.0 |
| Educational assessment operations—6.0 FTE positions | \$ 3,322,400 |
| GROSS APPROPRIATION | \$ 3,322,400 |
| Appropriated from: | |
| Federal revenues: | |
| Federal revenues | 3,322,400 |
| State general fund/general purpose | \$ 0 |
| Sec. 104. DEPARTMENT OF ENVIRONMENTAL QUALITY | |
| (1) APPROPRIATION SUMMARY | |
| GROSS APPROPRIATION | \$ 250,000 |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ 250,000 |
| Total federal revenues | 0 |
| Total local revenues | 0 |
| Total private revenues | 0 |
| Total other state restricted revenues | (10,750,000) |
| State general fund/general purpose | \$ 11,000,000 |
| (2) GRANTS | |
| Real-time water quality monitoring | \$ 250,000 |
| GROSS APPROPRIATION | \$ 250,000 |
| Appropriated from: | |
| Special revenue funds: | |
| Settlement funds | 250,000 |
| State general fund/general purpose | \$ 0 |
| (3) AIR QUALITY | |
| Air quality programs | \$ 0 |
| GROSS APPROPRIATION | \$ 0 |
| Appropriated from: | |
| Special revenue funds: | |
| Air emissions fees | (3,527,400) |
| State general fund/general purpose | \$ 3,527,400 |
| (4) ENVIRONMENTAL SCIENCE AND SERVICES DIVISION | |
| Pollution prevention and technical assistance | \$ 0 |
| GROSS APPROPRIATION | \$ 0 |
| Appropriated from: | |
| Special revenue funds: | |
| Air emissions fees | (377,600) |
| Waste reduction fee revenue | (175,200) |
| State general fund/general purpose | \$ 552,800 |
| (5) OFFICE OF GEOLOGICAL SURVEY | |
| Mineral wells management | \$ 0 |
| GROSS APPROPRIATION | \$ 0 |
| Appropriated from: | |
| Special revenue funds: | |
| Mineral well regulatory fee revenue | (75,000) |
| State general fund/general purpose | \$ 75,000 |
| (6) LAND AND WATER MANAGEMENT | |
| Field permitting and project assistance | \$ 0 |
| Great Lakes shorelands | 0 |
| GROSS APPROPRIATION | \$ 0 |
| Appropriated from: | |
| Special revenue funds: | |
| Land and water permit fees | (2,965,000) |
| State general fund/general purpose | \$ 2,965,000 |

| | For Fiscal Year Ending Sept. 30, 2008 |
|--|---|
| (7) WASTE AND HAZARDOUS MATERIALS | |
| Hazardous waste management program | \$ 0 |
| Solid waste management program..... | 0 |
| GROSS APPROPRIATION | \$ 0 |
| Appropriated from: | |
| Special revenue funds: | |
| Environmental pollution prevention fund..... | (1,066,900) |
| Solid waste program fees | (510,500) |
| State general fund/general purpose | \$ 1,577,400 |
| (8) WATER | |
| Drinking water and environmental health | \$ 0 |
| Groundwater discharge..... | 0 |
| GROSS APPROPRIATION | \$ 0 |
| Appropriated from: | |
| Special revenue funds: | |
| Groundwater discharge permit fees | (1,709,900) |
| On-site wastewater treatment program fund..... | (592,500) |
| State general fund/general purpose | \$ 2,302,400 |
| Sec. 105. HIGHER EDUCATION | |
| (1) APPROPRIATION SUMMARY | |
| GROSS APPROPRIATION | \$ (9,700,000) |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ (9,700,000) |
| Total federal revenues..... | 0 |
| Total local revenues..... | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues | (9,700,000) |
| State general fund/general purpose | \$ 0 |
| (2) GRANTS AND FINANCIAL AID | |
| Michigan merit award program | \$ (7,700,000) |
| Michigan promise grant program | (2,000,000) |
| GROSS APPROPRIATION | \$ (9,700,000) |
| Appropriated from: | |
| Special revenue funds: | |
| Michigan merit award trust fund..... | (9,700,000) |
| State general fund/general purpose | \$ 0 |
| Sec. 106. DEPARTMENT OF HUMAN SERVICES | |
| (1) APPROPRIATION SUMMARY | |
| GROSS APPROPRIATION | \$ 17,482,800 |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ 17,482,800 |
| Total federal revenues..... | 10,310,300 |
| Total local revenues..... | 622,400 |
| Total private revenues..... | 0 |
| Total other state restricted revenues | 0 |
| State general fund/general purpose | \$ 6,550,100 |
| (2) COMMUNITY ACTION AND ECONOMIC OPPORTUNITY | |
| Community services block grant..... | \$ 300,000 |
| GROSS APPROPRIATION | \$ 300,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 300,000 |
| (3) ADULT AND FAMILY SERVICES | |
| Nutrition education..... | \$ 9,688,400 |
| GROSS APPROPRIATION | \$ 9,688,400 |
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues..... | 9,688,400 |
| State general fund/general purpose | \$ 0 |

| | For Fiscal Year Ending Sept. 30, 2008 |
|--|---|
| (4) CHILDREN'S SERVICES | |
| Foster care payments | \$ 2,281,200 |
| Adoption support services | 213,100 |
| GROSS APPROPRIATION | \$ 2,494,300 |
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues..... | 621,900 |
| Special revenue funds: | |
| Local funds - county chargeback | 622,400 |
| State general fund/general purpose | \$ 1,250,000 |
| (5) JUVENILE JUSTICE SERVICES | |
| Child care fund..... | \$ 838,600 |
| GROSS APPROPRIATION | \$ 838,600 |
| Appropriated from: | |
| State general fund/general purpose | \$ 838,600 |
| (6) LOCAL OFFICE STAFF AND OPERATIONS | |
| Field staff, salaries and wages..... | \$ 161,500 |
| GROSS APPROPRIATION | \$ 161,500 |
| Appropriated from: | |
| State general fund/general purpose | \$ 161,500 |
| (7) PUBLIC ASSISTANCE | |
| Day care services..... | \$ 4,000,000 |
| Homeless shelter contracts | (11,646,700) |
| Homeless programs | 11,646,700 |
| GROSS APPROPRIATION | \$ 4,000,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 4,000,000 |
| Sec. 107. JUDICIARY | |
| (1) APPROPRIATION SUMMARY | |
| GROSS APPROPRIATION | \$ 489,500 |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ 489,500 |
| Total federal revenues..... | 0 |
| Total local revenues..... | 489,500 |
| Total private revenues..... | 0 |
| Total other state restricted revenues | 0 |
| State general fund/general purpose | \$ 0 |
| (2) SUPREME COURT | |
| Direct trial court automation support | \$ 489,500 |
| GROSS APPROPRIATION | \$ 489,500 |
| Appropriated from: | |
| Special revenue funds: | |
| Local - user fees..... | 489,500 |
| State general fund/general purpose | \$ 0 |
| Sec. 108. DEPARTMENT OF LABOR AND ECONOMIC GROWTH | |
| (1) APPROPRIATION SUMMARY: | |
| Full-time equated classified positions | 10.0 |
| GROSS APPROPRIATION | \$ 420,000 |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ 420,000 |
| Total federal revenues..... | 0 |
| Total local revenues..... | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues | 420,000 |
| State general fund/general purpose | \$ 0 |

For Fiscal Year
Ending Sept. 30,
2008

(2) OFFICE OF FINANCIAL AND INSURANCE SERVICES

| | | |
|---|------|------------|
| Full-time equated classified positions | 10.0 | |
| Financial evaluation—10.0 FTE positions | | \$ 420,000 |
| GROSS APPROPRIATION | | \$ 420,000 |

Appropriated from:

Special revenue funds:

| | | |
|--|--|---------|
| Consumer finance fees | | 420,000 |
| State general fund/general purpose | | \$ 0 |

Sec. 109. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

(1) APPROPRIATION SUMMARY

| | | |
|--|--|------------|
| GROSS APPROPRIATION | | \$ 117,300 |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | | \$ 117,300 |
| Total federal revenues..... | | 0 |
| Total local revenues | | 0 |
| Total private revenues..... | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | | \$ 117,300 |

(2) VETERANS SERVICE ORGANIZATIONS

| | | |
|--|--|------------|
| American legion | | \$ 26,600 |
| Disabled American veterans | | 22,000 |
| Marine corps league | | 10,100 |
| American veterans of World War II and Korea..... | | 13,900 |
| Veterans of foreign wars..... | | 26,600 |
| Michigan paralyzed veterans of America..... | | 5,000 |
| Purple heart | | 4,700 |
| Polish legion of American veterans..... | | 1,200 |
| Jewish veterans of America..... | | 1,200 |
| State of Michigan council - Vietnam veterans of America..... | | 4,800 |
| Catholic war veterans | | 1,200 |
| GROSS APPROPRIATION | | \$ 117,300 |

Appropriated from:

| | | |
|--|--|------------|
| State general fund/general purpose | | \$ 117,300 |
|--|--|------------|

Sec. 110. DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY

| | | |
|--|-----|--------------|
| Full-time equated classified positions | 5.0 | |
| GROSS APPROPRIATION | | \$ 1,050,000 |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | | \$ 1,050,000 |
| Total federal revenues..... | | 0 |
| Total local revenues | | 0 |
| Total private revenues..... | | 0 |
| Total other state restricted revenues | | 50,000 |
| State general fund/general purpose | | \$ 1,000,000 |

(2) FOREST, MINERAL, AND FIRE MANAGEMENT

| | | |
|--|-----|--------------|
| Full-time equated classified positions | 5.0 | |
| Wildfire protection—5.0 FTE positions | | \$ 500,000 |
| Forest recreation and trails..... | | 500,000 |
| GROSS APPROPRIATION | | \$ 1,000,000 |

Appropriated from:

| | | |
|--|--|--------------|
| State general fund/general purpose | | \$ 1,000,000 |
|--|--|--------------|

(3) GRANTS

| | | |
|----------------------------------|--|-----------|
| St. Jean public boat launch..... | | \$ 50,000 |
| GROSS APPROPRIATION | | \$ 50,000 |

Appropriated from:

Special revenue funds:

| | | |
|--|--|--------|
| Michigan state waterways funds | | 50,000 |
| State general fund/general purpose | | \$ 0 |

For Fiscal Year
Ending Sept. 30,
2008

Sec. 111. DEPARTMENT OF STATE POLICE

(1) APPROPRIATION SUMMARY

| | |
|--|--------------|
| GROSS APPROPRIATION | \$ 3,000,000 |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ 3,000,000 |
| Total federal revenues..... | 0 |
| Total local revenues | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues | 0 |
| State general fund/general purpose | \$ 3,000,000 |

(2) FORENSIC SCIENCES

| | |
|--|--------------|
| Laboratory operations..... | \$ 2,000,000 |
| GROSS APPROPRIATION | \$ 2,000,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 2,000,000 |

(3) POST UNIFORM SERVICES

| | |
|--|--------------|
| At-post troopers | \$ 1,000,000 |
| GROSS APPROPRIATION | \$ 1,000,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 1,000,000 |

Sec. 112. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

| | |
|--|-----------------|
| GROSS APPROPRIATION | \$ (10,000,000) |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ (10,000,000) |
| Total federal revenues..... | 0 |
| Total local revenues | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues | 5,500,000 |
| State general fund/general purpose | \$ (15,500,000) |

(2) DEBT SERVICES

| | |
|--|-----------------|
| Quality of life bond..... | \$ (8,000,000) |
| Clean Michigan initiative | (18,000,000) |
| Great Lakes water quality bond | (4,000,000) |
| GROSS APPROPRIATION | \$ (30,000,000) |
| Appropriated from: | |
| State general fund/general purpose | \$ (30,000,000) |

(3) CASINO GAMING

| | |
|---|--------------|
| Casino gaming control administration..... | \$ 5,500,000 |
| GROSS APPROPRIATION | \$ 5,500,000 |
| Appropriated from: | |
| Special revenue funds: | |
| State services fee fund..... | 5,500,000 |
| State general fund/general purpose | \$ 0 |

(4) GRANTS

| | |
|--|---------------|
| Presidential primary..... | \$ 10,000,000 |
| GROSS APPROPRIATION | \$ 10,000,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 10,000,000 |

(5) MICHIGAN STRATEGIC FUND

| | |
|---|--------------|
| Business incubator - Macomb County | \$ 500,000 |
| Business incubator - Washtenaw County | 500,000 |
| Michigan State University bio-energy research center..... | 3,500,000 |
| GROSS APPROPRIATION | \$ 4,500,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 4,500,000 |

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, 2008 is \$68,984,200.00 and state appropriations paid to local units of government are \$11,000,000.00.

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.

DEPARTMENT OF COMMUNITY HEALTH

Sec. 404. (1) The department shall create 2 pools for distribution of disproportionate share hospital funding. The first pool, totaling \$45,000,000.00, shall be distributed using the distribution methodology used in fiscal year 2003-2004. The second pool, totaling \$5,000,000.00, shall be distributed to unaffiliated hospitals and hospital systems that received less than \$900,000.00 in disproportionate share hospital payments in fiscal year 2003-2004 based on a formula that is weighted proportional to the product of each eligible system's Medicaid revenue and each eligible system's Medicaid utilization.

(2) By September 30, 2008, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the 2 pools.

Sec. 406. (1) Subject to subsection (2), from the funds appropriated in part 1 for long-term care services, the department of community health shall contract with a stand-alone psychiatric facility that provides at least 20% of its total care to Medicaid recipients to provide access to Medicaid recipients who require specialized Alzheimer's disease or dementia care.

(2) The department of community health shall ensure that funds under this section are only used to provide services to individuals served in fiscal year 2006-2007.

(3) The department of community health shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the effectiveness of the contract required under subsection (1) to improve the quality of services to Medicaid recipients.

DEPARTMENT OF EDUCATION

Sec. 411. From the unexpended balances of appropriations for educational assessment and accountability operations for the fiscal year ending September 30, 2008, up to \$3,000,000.00 may be carried forward as a work project and expended for a testing item bank system. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$3,000,000.00. The estimated completion date of the work is September 30, 2009.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Sec. 421. The appropriation in part 1 for real-time water quality monitoring is a grant to Macomb County and Huron-Erie corridor to support a real-time water quality monitoring program in the St. Clair watershed. Not later than September 30, 2008, grant recipients shall report to the department of environmental quality on the program's implementation and status. The department of environmental quality 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. Funding is contingent upon development of a department of environmental quality approved plan for long-term funding of operation and maintenance of the real-time monitoring system for the Huron-Erie corridor.

DEPARTMENT OF HUMAN SERVICES

Sec. 451. From the funds appropriated in part 1 for day care services, up to \$3,323,900.00 shall be available for day care provider rate increases and up to \$676,100.00 shall be available for administration of the program.

Sec. 452. (1) Subject to subsection (3), beginning October 1, 2007, 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.

Sec. 453. (1) From the money appropriated in part 1 of 2007 PA 131 for foster care payments, \$2,500,000.00 is allocated to support new contracts with private nonprofit child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive \$2,300.00 for each facilitated licensure. The private nonprofit 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 in part 1 of 2007 PA 131 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. 454. The department of human services shall review and may adjust daily per diem rates to providers of high-secure juvenile services in recognition of added complex services.

Sec. 455. A private nonprofit 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. However, to be eligible for funding, the private nonprofit service provider shall not use a for-profit management group or contract with a for-profit organization for its management, except pursuant to an arrangement or written management contract existing prior to August 1, 2007.

Sec. 456. (1) Beginning October 1, 2007, from the money appropriated in part 1 of 2007 PA 131 for foster care payments, Wayne County 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) Beginning October 1, 2007, from the money appropriated in part 1 of 2007 PA 131 for foster care payments, Wayne County foster care payments, and child care fund, the department shall pay a provider of residential services for juvenile justice and abused or neglected youth at daily rates that are 4.0% above the levels the provider received during the fiscal year 2006-2007. A provider shall not receive a daily rate below \$130.00 per day.

Sec. 458. From the money appropriated in part 1 of 2007 PA 131 for adoption support services, \$1,049,400.00 is allocated to support new 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 new program.

Sec. 460. (1) Beginning October 1, 2007, from the funds appropriated in part 1 of 2007 PA 131, the department shall reimburse a private child placing agency for an adoption placement or finalization at the following unit rate, as applicable, depending on the category into which the placement falls under subsection (2):

(a) For basic and standard, \$2,594.00 for a placement, \$1,733.00 for a finalization.

(b) For enhanced, \$4,068.00 for a placement, \$2,712.00 for a finalization.

(c) For premium, \$5,404.00 for a placement, \$3,603.00 for a finalization.

(d) For residential, \$6,240.00 for a placement, \$4,160.00 for a finalization.

(e) For I-MARE, \$4,368.00 for a placement, \$2,912.00 for a finalization.

(f) For MARE, \$5,819.00 for a placement, \$3,879.00 for a finalization.

(g) For preplacement, \$1,352.00 for basic or standard, \$2,704.00 for enhanced.

(2) The following categories shall be used to determine which unit rate is applicable under subsection (1):

(a) The residential category shall be used for a placement that involves a child who was being cared for in a residential child caring institution.

(b) The MARE category shall be used for a placement other than an interagency placement in which the private agency used the Michigan adoption resource exchange photo-listing system.

(c) The I-MARE category shall be used for an interagency placement in which the private agency used the Michigan adoption resource exchange photo-listing system.

(d) A placement to which subdivisions (a) to (c) do not apply shall be reimbursed based on the length of time between the termination of parental rights or case referral and the placement as follows:

(i) The premium category shall be used if the placement is achieved less than 6 months after the termination of parental rights, or after the case referral to the agency if the case was referred 3 months or more after termination.

(ii) The enhanced category shall be used if the placement is achieved 6 months or more but less than 9 months after the termination of parental rights, or after the case referral to the agency if the case was referred 3 months or more after termination.

(iii) The basic and standard category shall be used if the placement is achieved 9 months or more after the termination of parental rights, or after the case referral to the agency if the case was referred 3 months or more after termination.

(3) The department shall not establish a payment category or unit rate other than those in this section and shall not expend funds appropriated in part 1 for a payment that does not fall within a payment category or unit rate structure established in this section.

Sec. 461. The department will implement a \$25.00 annual fee pursuant to title IV-D, section 454(6)(B)(ii) of the social security act, 42 USC 651. 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 part D of title IV of the social security act.

Sec. 463. As a condition of receipt of federal TANF funds, homeless shelters and human service 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 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. 464. 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 below the level in effect on October 1, 2006. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Sec. 501. (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 for the school year beginning September 2004.

(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. 502. (1) The amount of \$2,163,400.00 in the housing and community development fund is hereby appropriated and may be expended by the state housing development authority as provided in sections 58c and 58d of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

(2) The state housing development authority shall report by May 1 to the senate and house standing committees on appropriations subcommittees on economic development, the senate and house fiscal agencies, and the state budget office on the status of the projects described in subsection (1), including the statewide allocation plan, the number of applicants, amounts requested, description of projects, amounts rewarded, 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.

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 521. The department of management and budget shall contract with an experienced performance review company to conduct performance reviews of state departments. The contract shall be done on a contingency basis and the reviews shall be concluded within 180 days of the issuance of the contract. Performance enhancement recommendations shall be submitted to the director of the department of management and budget and to the members of the senate and house appropriations committees.

DEPARTMENT OF NATURAL RESOURCES

Sec. 560. The appropriation in part 1 for the St. Jean public boat launch shall be provided to the city of Detroit to make necessary improvements to the Vaughn-Reid marine launching park, including the installation of a floating dock, dredging to remove material impeding boater access, and on-site fencing.

DEPARTMENT OF TREASURY

Sec. 601. It is the intent of the legislature that the department of treasury implement a cigarette stamping program utilizing new digital stamping technology.

MICHIGAN STRATEGIC FUND

Sec. 610. (1) The appropriation in part 1 of 2007 PA 127 to the fund for the economic development job training program is focused on skills businesses need to compete in the twenty-first century. The purpose of this program is to develop a specific skill, identified for a particular business that assists that company to compete in the global economy and to create or retain high-paying jobs for Michigan residents.

(2) Not more than \$800,000.00 of the total appropriation in part 1 may be expended for administrative costs by the fund. Not more than 10% of the total grant award may be expended by a recipient for administration costs.

(3) No funds appropriated in part 1 of 2007 PA 127 to the fund for the economic development job training program grants may be expended for the training of permanent striker replacement workers, unless a strike exceeds 3 years and good faith negotiations are ongoing.

(4) Of the total funds appropriated in part 1 of 2007 PA 127 for the economic development job training program grants, \$4,500,000.00 of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5). Remaining funds may be awarded to any of the entities listed in subsection (5) or businesses which create at least 100 new jobs at a single location in a period not to exceed 2 years from the date of the grant award.

(5) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state-sponsored manufacturing technology center, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection or businesses which meet the criteria set in subsection (4).

(6) On or before October 1, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment prior to finalization of the application criteria, instructions, and forms.

(7) The award process will include a simple notice of intent to be reviewed to see if the application merits further consideration. If so, a full application may be submitted. Applications for all grants shall be submitted to the fund, and each application shall contain at least all of the following:

(a) The name, address, and total number of employees of each business organization whose employees are receiving job training.

(b) A description of the specific job skills that will be taught.

(c) A clear statement of the project's scope of activities and number of participants to be involved.

(d) A commitment to maintain participant records in a form and manner required by the fund.

(e) A budget which relates to the proposed activities and various program components.

(8) Priority in the fund's awarding of grants shall be based on the following criteria:

(a) Demonstrated need for the type of training offered.

(b) Creation and/or retention of high wage and high skilled level jobs within a predetermined time period. For grants to businesses permitted under subsection (4), if the business does not create or retain the number of jobs specified within the predetermined time period, the business shall reimburse the state for the amount of the grant equal to the percentage difference between the number of jobs the business committed to create or retain and the number actually created or retained. The number of jobs created and retained will be verified by the business via audit after the training is completed.

(c) Other criteria determined by the fund to be important.

(9) Participants in the economic development job training program shall be 16 years or older and not enrolled and counted in membership in a school district, intermediate school district, or community college, or any other program funded with state funding. Any training provider that receives state appropriated funds shall not include in the enrollment data reported for determining state aid any student credit hours or student contact hours for a student who is a participant in the economic development job training program. Exclusions of these students is intended to avoid payment of state aid for the same individuals for whom training costs are paid for through the economic development job training program.

(10) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the economic development job training program grant. However, a nonprofit organization may charge tuition or fees if the tuition plan or fees are recognized by the state and the nonprofit organization receives additional funding from other governmental or private funding sources for its programs.

(11) For training delivered to incumbent workers, the business receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

(12) Grant funds shall be expended on a cost reimbursement basis.

(13) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit. Costs disallowed under subsection (8)(b) based on the employer job creation and retention requirements are not the same as the training costs that are disallowed in this subsection.

(14) The fund shall provide to the state budget director and the fiscal agencies by November 1 of each year a report on the economic development job training program grants. The report shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:

(a) The amount and recipient of each grant or contract.

(b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.

(c) The names, addresses, and total number of employees of all business organizations for whom training is or will be provided.

(d) The matching funds, if any, to be provided by a business organization.

(15) As a condition of receiving funds under part 1 of 2007 PA 127, the fund shall not expend any of the economic development job training program funds to train any employee who is an officer of a corporation in a corporation employing more than 250 employees.

(16) The Michigan strategic fund shall allocate \$500,000.00 for aeronautics certification grants as described in this subsection. The grants shall be funded from the appropriation in part 1 for economic development job training grants or work project funds available for the defense contract coordination center, or both. The Michigan strategic fund shall report to the senate and house subcommittees on general government, the fiscal agencies, and the state budget office by January 15, 2008 on the sources of funding for this program. \$500,000.00 shall be allocated for the following purposes:

(a) \$250,000.00 shall be allocated for aeronautics certification grants to assist manufacturers in becoming certified for aerospace manufacturing. Priority shall be given to ISO or TS certified companies that are members of a state of Michigan nonprofit, tax-exempt aerospace manufacturers association and have received a request for quotes or request for

proposal from an aerospace company. Grant awards of up to \$10,000.00 shall be given to a qualifying company seeking such certification. As used in this section, “ISO” means international organization for standardization and “TS” means technical specification.

(b) \$250,000.00 shall be provided to the Michigan aerospace manufacturers association, a nonprofit, tax-exempt, aerospace-based manufacturing association. Funding shall be used for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan within the global economy.

Sec. 613. From the funds appropriated in part 1 of 2007 PA 127 to the 21st century jobs fund program, \$1,400,000.00 shall be granted by the Michigan strategic fund board to the Michigan small business and technology development centers to be used for the small business technology transfer or small business innovation research grant or loan matching programs. These funds shall only be used to provide the required match. Grants or loans under this section shall not exceed 25% of the federal funds and must leverage third-party commercialization funding at both the phase I and phase II levels.

REPEALER

Sec. 701. The following sections are repealed:

- (a) Section 1717 of 2007 PA 123.
- (b) Sections 1002 and 1024 of 2007 PA 127.
- (c) Sections 566, 573, 574, 609, 643, 723, and 726 of 2007 PA 131.

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

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the judicial branch for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

George Cushingberry, Jr.
 Matt Gillard
 Daniel Acciavatti
 Conferees for the House

Michael Bishop
 Ron Jelinek
 Michael Switalski
 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. 246

Yeas—37

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

Nays—1

Kahn

Excused—0

Not Voting—0

In The Chair: Richardville

Senators Hardiman, Pappageorge, Switalski and Cherry asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Hardiman's statement is as follows:

I rise to speak to House Bill No. 5344. First of all, I want to say that I appreciate the good work of this conference on this supplemental. It has funded many very important programs important to me and important to the people of this state. I would note that the Senate-passed version contained \$6.5 million in the Transportation Economic Development Fund that is not present in this final version. I am disappointed by that because I believe that we need those transportation dollars very dearly in this state. I am sure that most folks who travel about this state would agree.

Having said that, I understand that there are negotiations that have taken place.

This is a very strong bill, it is not withstanding, and I will support it. I wanted to express my disappointment in the lack of transportation dollars to the TEDF fund.

Senator Pappageorge's statement is as follows:

I, too, want to speak about the Transportation Economic Development Fund, the so-called TEDF. Colleagues, I want to make sure that you understand what is behind that fancy title. There are a number of categories: A, C, D, E, and F. Category C is specifically aimed at relieving congestion in urban areas. Category D is road improvements in rural counties to create an all-season road network. Those two categories affect every single one of our districts.

Now it is true, because of the targeting agreement made months ago, that money was cut and put in the General Fund, and so at this date, in order to balance the books, it has been cut again.

I will vote for this appropriation bill, but I would urge every one of you to look behind things like TEDF and understand what is in there. Next year we want to make sure that these two categories of road funding are not ignored. I would hope that you would be with me as we do the budget that begins on 1 October 2008.

Senator Switalski's statement is as follows:

I hope everyone supports the bill, but more importantly, I've just been contacted by the great philosopher Sage Zvonko who works in my district office and is the author of the maxim "I love everybody." So I ask that my previous remarks be printed in the Journal so that he may read his name and achieve immortality.

Senator Cherry's statement is as follows:

I rise today to join my colleagues in saying that this supplemental bill is one, I believe, we all should support. There are things in it that are very important. For example, as has been stated, funding for the DEQ and DNR. It also includes, I think you should know, the trooper school, which again we have said for a long time needs to be included in our budget. It also helps make sure we are providing health care to a number of people through the KWAP increase and health plan services.

I guess what I do want to also say, however, is that we should look at what was not included and remember that they were not included because if you look at the list of those services not included, they impact local government pretty significantly. There's the conservation districts. There's the LEIN program which is very important for law enforcement. I understand there is a controversy with that, but we do need to resolve that issue. There is also the TEDF funds. We need to remember that that impacts specifically local roads, local jobs, and provides improvements in those areas. The TEDF funds require enacting legislation which I know we will be dealing with later on in the year. I hope that we can solve this problem so that our local governments are not always the first hit when we are looking for funds that we need. We've done that over the past few years, and we need to start realizing that we've impacted them greatly.

While I am supporting it, it's an important bill, and we've got things we need to fund. Let's remember what's not in this bill too.

By unanimous consent the Senate proceeded to the order of
Statements

Senators Clark-Coleman, Scott, Gleason, Jansen and McManus asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Clark-Coleman's statement is as follows:

I rise today to acknowledge the positive changes that the Michigan Legislature has wrought in recent years to improve K-12 education in Michigan. Our goal has been and continues to be that our children are provided the optimal level of educational advantages to assure their future success.

We have introduced special education to Michigan schools. We have enhanced curriculum. We have introduced teacher certification standards. We have moved from the junior high school to the middle college concept. Most recently, we have strengthened the high school curriculum. We have offered the Michigan Promise Grants, and we have emphasized the importance of post-high school education. Yet ever since the 1930s, kindergarten has been delivered as primarily a half-day program, and parents have the option of sending their children or not.

Next Monday, we will celebrate National Kindergarten Day. While the goal of kindergarten education remains the same, the external environment has changed dramatically. International competition, a finance-driven economy, two-parent working families, and changing demographics have rendered half-day kindergarten less effective. That's why I have submitted Senate Bill No. 162 to make full-day kindergarten mandatory.

Today nine states require that districts offer full-day kindergarten. In 14 states, kindergarten attendance is mandatory. At the local level, many districts have implemented full-day kindergarten programs, regardless of state law, to meet the demands of parents and the needs of children. The advantages of full-day kindergarten are well documented. Today's child approaches kindergarten age with a broader knowledge base than their 20th century counterparts. The full-day experience provides continuity for children who are already accustomed to full-day experiences outside the home. It also offers a seamless transition to elementary school schedules. It reduces the number of daily disruptions and provides teachers more time for informal and formal instruction.

When we are able to offer children more education in a less disruptive environment, when we are able to provide more individual instruction for each child, and when we are better able to prepare them for their future education, how can we refuse them these benefits? If we are to be on the cutting edge of education, we must—and I reiterate, we must—consider requiring all-day kindergarten.

I urge my colleagues to acknowledge the value of such a requirement.

Senator Scott's statement is as follows:

Colleagues, we made history today. I want to thank each and every one of you for Senate Bill No. 120. It's the first in the country. Now we can start encouraging people to eat healthier. I want to truly thank each and every one of you for that.

First, let me begin by stating that with the introduction of Senate Resolution No. 156, I am pleased that my colleagues on the other side believe, like I do, that ratepayers in Michigan deserve relief on their auto insurance premiums. However, if we are really serious, and we really want to help the thousands of citizens who are struggling with outrageous insurance premiums, let's take a look at those factors that are driving up costs; like where one lives. Let's also consider good driving records and the miles that one drives. That will bring fairness and equity to our insurance system.

Langston Hughes, one of the finest African-American writers of the 20th century, once observed: "When the devil is too busy to bug a man, he sends in a woman." Well, I imagine there are some gentlemen in this very chamber who just whispered "Amen" under their breaths, of course. But just to assure you, I am not doing the devil's work. Mine is a higher calling, and I am going to continue to fight for fairness in insurance rates until my goal is reached and my mission is served.

Meanwhile, I will continue, not just to bug, but to plead, shout, appeal, challenge, request, and beseech you to move my bills.

Senator Garcia stated that had he been present earlier today when the vote was taken on concurring in the House amendments to the Senate substitute to the following bill, he would have voted "yea":

House Bill No. 5600

Senator Gleason's statement is as follows:

My, my, my, more news on Vioxx. The recent publication of the *Journal of the American Medical Association* has published a few articles in regard to the journey that Vioxx took to be put on the shelves of those most fragile Michiganians. In regard to the *Journal of the American Medical Association*, listen to some of these terms here. Lots of companies are collaborating with academic physicians this way in regard to those doing the studies. The profession really needs to take a look at itself and decide this isn't the way science is conducted. When you put your name on a manuscript, you need to be involved with that from the beginning.

We have studies that have been signed off by hired guns to make sure that these deadly medicines are put in the hands of those most fragile. When we look at what has transpired recently in regard to Michigan citizens and those across this country, the *Journal of the American Medical Association* report says a review of the court documents found that a separate company analysis in April 2001 showed Vioxx tripled the risk of death in Alzheimer's disease patients. The documents show MERCK denied the danger to regulators and concluded when findings were published years later that Vioxx was well-tolerated.

This is what was written in the *Journal of the American Medical Association* report: “By any conventional scientific standard, a three-fold increased risk in the death rate is a major safety issue.” Had this been reported in April of 2001, it is possible that fewer patients may have decided to take Vioxx.

My fellow Senators, the report concludes, “Our study raises questions about the wisdom of allowing the sponsor to control and analyze the data,” which MERCK did in these studies. This is a major safety concern that remained unreported.

Once again, my fellow Senators, I would remind you that we had nearly \$5 billion—as in billion dollars—spread throughout our state, and yet, our citizens are still denied access to Michigan courts where they can find relief. Only a few years ago, we saw trucks when they were t-boned. The gas tanks were found to be deadly. Our Michigan citizens could take those cases to Michigan courts. Now we see there was some skullduggery involved with a major corporation putting Vioxx on the market. And even with this now being openly displayed, we deny those citizens across our state access to Michigan courts.

It is time to have a serious discussion about ending drug immunity in Michigan. The evidence is piling higher. The evidence is increasing that we are allowing—we, the legislators, allow the guidelines of what recourse our citizens can have in our courts. Let’s honor and utilize the three branches of government: the executive, our branch, the legislative, and the judicial. There was a reason why those who implemented and wrote our Constitution divided these separate responsibilities.

Why do we deny those dying in our state, yet today, access to their local courts? When your health is compromised, when your money is diminished because of costs trying to take care of these day-to-day concerns, why should we send our citizens to New Jersey or far away states?

I ask us to have a fair and open discussion in regard to this drug immunity issue. That’s the least we can do for those we have compromised. And I ask that we pick up this charge. This is our responsibility. Let’s get with it.

Senator Jansen’s statement is as follows:

I would like to talk about Senate Bill No. 120. You heard about it earlier from the good Senator from the 2nd District. I would like to thank my colleagues for helping and joining us to allow distribution of food stamps to happen twice a month. It actually allows Michigan to become first in the nation on something, I think, pretty positive. Grocers and workers are excited about this happening, and I have also again heard from the department who said that they are anxious to allow this to happen and to address all the concerns that might come from the federal government as we go through this process.

So for the speaker from the 2nd District who usually says “move my bills,” I just want to remind her that, in this case, I was listening to her. It has finally happened; we have moved her bills and they are done.

Senator McManus’ statement is as follows:

There has been a great deal of talk recently about the capital outlay budget and what action we should or should not take or be taking right now. I wanted to take a quick moment to stress what I believe is the importance of moving the federally-funded projects in a timely fashion and not holding up these vital airport improvement and maintenance projects while the Legislature continues to discuss the additional items that the Governor has recommended in her proposed capital outlay budget.

These federal funds are very time-sensitive. Further delay in this appropriation could seriously jeopardize this entire construction season, and it is quite possible that due to our inability to act, Michigan could lose out entirely on these federal funds because those funds must be obligated by June 30 or they become unavailable. In addition, a portion of the federal aviation allocation includes discretionary funding that Michigan competes for and other states will get if we don’t act.

The bottom line is that the federal government has already allocated these discretionary funds, and Michigan should move forward in approving those dollars. It would be very sad, I believe, if we do not act, at least, right away on those dollars. I just want to be very clear that I do not support an all-or-nothing approach to this capital outlay process. I firmly believe that we need to move what we can agree upon first.

Committee Reports

The Committee on Economic Development and Regulatory Reform reported

Senate Bill No. 1233, entitled

A bill to amend 1980 PA 299, entitled “Occupational code,” by amending section 2405 (MCL 339.2405), as amended by 2007 PA 157.

With the recommendation that the bill 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 Jacobs

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Economic Development and Regulatory Reform reported

House Bill No. 5459, entitled

A bill to amend 2005 PA 210, entitled "Commercial rehabilitation act," by amending section 2 (MCL 207.842), as amended by 2008 PA 3.

With the recommendation that the bill 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 Jacobs

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Economic Development and Regulatory Reform submitted the following:
Meeting held on Tuesday, April 15, 2008, at 1:00 p.m., Rooms 402 and 403, Capitol Building
Present: Senators Sanborn (C), Richardville, Allen, Gilbert, Thomas and Jacobs
Excused: Senator Hunter

The Committee on Natural Resources and Environmental Affairs reported

Senate Resolution No. 171.

A resolution designating April 20-27, 2008, the second annual Michigan Conservation Week, as Land Preservation Week.

(For text of resolution, see Senate Journal No. 35, p. 680.)

With the recommendation that the resolution be adopted.

Patricia L. Birkholz
Chairperson

To Report Out:

Yeas: Senators Birkholz, Van Woerkom, Patterson, Basham and Prusi

Nays: None

The resolution was placed on the order of Resolutions.

The Committee on Natural Resources and Environmental Affairs reported

Senate Bill No. 1234, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 80108a.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Patricia L. Birkholz
Chairperson

To Report Out:

Yeas: Senators Birkholz, Van Woerkom, Patterson, Basham and Prusi

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Natural Resources and Environmental Affairs submitted the following:
Meeting held on Wednesday, April 16, 2008, at 1:00 p.m., Room 110, Farnum Building
Present: Senators Birkholz (C), Van Woerkom, Patterson, Basham and Prusi

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Economic Development submitted the following:
Meeting held on Wednesday, April 16, 2008, at 8:30 a.m., Room 110, Farnum Building
Present: Senators Jansen (C), George, Stamas, Scott and Anderson

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Agriculture submitted the following:
Meeting held on Wednesday, April 16, 2008, at 3:00 p.m., Room 405, Capitol Building
Present: Senators Brown (C), Jelinek and Scott

COMMITTEE ATTENDANCE REPORT

The Joint Subcommittee on Capital Outlay submitted the following:
Meeting held on Wednesday, April 16, 2008, at 4:20 p.m., House Appropriations Room, 3rd Floor, Capitol Building
Present: Senators Jelinek, Brown, Hardiman, Pappageorge, Switalski and Scott
Excused: Senators Mc Manus (C), Cropsey, Cherry and Clark-Coleman

COMMITTEE ATTENDANCE REPORT

The Subcommittee on History, Arts, and Libraries submitted the following:
Meeting held on Thursday, April 17, 2008, at 8:30 a.m., Room 405, Capitol Building
Present: Senators George (C), Brown and Clark-Coleman

COMMITTEE ATTENDANCE REPORT

The Joint Subcommittee on Capital Outlay submitted the following:
Meeting held on Thursday, April 17, 2008, at 9:00 a.m., House Appropriations Room, 3rd Floor, Capitol Building
Present: Senators Mc Manus (C), Brown, Cropsey, Hardiman, Switalski, Cherry, Clark-Coleman and Scott
Excused: Senators Jelinek and Pappageorge

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Department of Transportation submitted the following:
Meeting held on Thursday, April 17, 2008, at 12:55 p.m., Room 405, Capitol Building
Present: Senators Hardiman (C), Cropsey and Anderson

Scheduled Meetings

Appropriations -

Subcommittees -

Agriculture - Wednesdays, April 23, April 30, May 7 and May 14, 3:00 p.m., Room 405, Capitol Building (373-2768)

Community Health Department - Thursday, May 1, 1:00 p.m., Room 100, Farnum Building (373-2768)

Economic Development - Wednesdays, April 23, April 30, May 7 and May 14, 8:30 a.m., Room 110, Farnum Building (373-2768)

General Government - Tuesdays, April 22, April 29 and May 13, 2:30 p.m., Room 405, Capitol Building; and Tuesday, May 6, 2:30 p.m., Room 48, Information Technology Operations Center, 7285 Parson Drive, Lansing (373-2768)

History, Arts, and Libraries - Thursdays, April 24, May 1 and May 15, 8:30 a.m., Room 405, Capitol Building (373-2768)

Human Services Department - Tuesdays, April 22, April 29, May 6 and May 13, 1:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-2768)

Judiciary and Corrections - Wednesday, April 23, 3:00 p.m., Rooms 402 and 403, Capitol Building (373-2768)

State Police and Military Affairs - Thursdays, April 24, May 1 and May 8, 3:00 p.m., Rooms 402 and 403, Capitol Building (373-2768)

Transportation Department - Friday, April 25, 10:30 a.m., Conference Room, Rapid Central Station, 250 Grandville Avenue SW, Grand Rapids; Friday, May 2, Conference Room, Rapid Commission for Oakland County, 31001 Lahser Road, Beverly Hills; and Thursday, May 15, 12:30 p.m., Room 405, Capitol Building (373-2768)

Campaign and Election Oversight - Wednesday, April 23, 1:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-1725)

Legislative Commission on Government Efficiency - Friday, April 25, 8:30 a.m., Room 326, South Tower, House Office Building (373-0212)

Senator Cropsey moved that the Senate adjourn.
The motion prevailed, the time being 3:09 p.m.

The President pro tempore, Senator Richardville, declared the Senate adjourned until Tuesday, April 22, 2008, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

